

7204, which provides for the Federal incorporation for American companies in China; to the Committee on Foreign Affairs.

4686. Also, petition of the National Board of Farm Organizations, protesting against antistrike legislation; to the Committee on the Judiciary.

4687. By Mr. STINESS: Petition of the Chamber of Commerce of Providence, R. I., opposing the proposed Great Lakes-St. Lawrence tidewater project; to the Committee on Rivers and Harbors.

4688. Also, petition of the Rhode Island Women's Club, favoring the passage of the Sheppard-Towner bills which provide for the protection of maternity and infancy; to the Committee on Interstate and Foreign Commerce.

4689. By Mr. TEMPLE: Petition of Local Union No. 3825, United Mine Workers of America, of Meadow Lands, Pa., in support of joint resolution for amnesty and repeal of espionage law; to the Committee on the Judiciary.

4690. By Mr. YOUNG of North Dakota: Petition of commissioners of the city of Fargo, N. Dak., favoring the passage of legislation vesting exclusive authority in the mining, marketing, and fixing of prices of coal; to the Committee on Interstate and Foreign Commerce.

4691. Also, petition of several voters from the second congressional district of North Dakota, requesting Congressman YOUNG to support bill abolishing speculation in foodstuffs; to the Committee on Agriculture.

## SENATE.

THURSDAY, December 23, 1920.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we have come to the season of the year which is central in Christian civilization, bearing to us a message, a message from the Father full of compassion and grace. As we enter upon the Christmas season we pray that we may be enabled to catch the spirit of this season and hear the message that Thou dost send to us, and have our hearts responsive to this message, that we may have a new consecration of ourselves to the God whom we have learned through the Son to call our Father in Heaven.

We thank Thee for all the cherished and blessed memories of Christmas time, and pray that they may be brought to us anew to-day. May the heart of Christian civilization rejoice in its welcome to the Christ. "Thanks be to God for His unspeakable gift." We ask Thy blessing. For Christ's sake. Amen.

### NAMING A PRESIDING OFFICER.

The Secretary (George A. Sanderson) read the following communication:

UNITED STATES SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, D. C., December 23, 1920.

### To the Senate:

Being temporarily absent from the Senate, I appoint Hon. CHARLES CURTIS, a Senator from the State of Kansas, to perform the duties of the Chair this legislative day.

ALBERT B. CUMMINS,  
President pro tempore.

Mr. CURTIS thereupon took the chair as Presiding Officer.

### THE JOURNAL.

On request of Mr. LODGE, and by unanimous consent, the reading of the Journal of the proceedings of Monday last was dispensed with and the Journal was approved.

### ADJOURNMENT TO MONDAY.

Mr. LODGE. I move that when the Senate adjourns to-day it be to meet on Monday next at 12 o'clock.

The motion was agreed to.

### CALL OF THE ROLL.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	Henderson	Lenroot
Beckham	France	Hitchcock	Lodge
Borah	Frelinghuysen	Johnson, Calif.	McCumber
Brandeggee	Gay	Jones, Wash.	McKellar
Caldor	Gerry	Kellogg	McLean
Capper	Glass	Kendrick	McNary
Culbertson	Gronna	Kenyon	Myers
Curtis	Hale	Keyes	Nelson
Dial	Harris	King	New
Edge	Harrison	Knox	Norris
Elkins	Hefflin	La Follette	Nugent

Page	Ransdell	Smoot	Townsend
Phipps	Reed	Sterling	Wadsworth
Poinexter	Sheppard	Sutherland	Watson
Pomerene	Smith, Ga.	Thomas	

Mr. HEFLIN. Mr. President, my colleague [Mr. UNDERWOOD] is unavoidably absent on account of a death in his family. He has a general pair with the junior Senator from Ohio [Mr. HARDING].

Mr. KENDRICK. My colleague [Mr. WARREN] is absent on official business.

Mr. HARRISON. I announce the unavoidable absence of the Senator from Oregon [Mr. CHAMBERLAIN] and the Senator from South Dakota [Mr. JOHNSON]. Both Senators are absent on account of illness.

The PRESIDING OFFICER. Fifty-nine Senators have answered to the roll call. There is a quorum present.

### REPORTS ON CONSUMPTION OF AMERICAN COTTON (S. DOC. NO. 348).

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read and ordered to be printed and, with the accompanying papers, referred to the Committee on Agriculture and Forestry:

*To the Senate:*  
I transmit herewith a report by the Acting Secretary of State covering information received by the Department of State in response to the instructions sent by that department to consular officers of the United States in foreign countries where American cotton is consumed, in pursuance of the Senate resolution of May 4, 1920, "to ascertain as near as possible what quantity of American cotton will be needed during the present year by the countries in which they are located," and "to make suggestions as to means by which markets for American cotton may be enlarged and extended."

It is regretted that reports have not yet been received from some of the posts instructed; but these will be transmitted to the Senate as they arrive. Meanwhile, the Acting Secretary of State furnishes some information regarding conditions at these posts which it is thought may be of interest to the Senate as responsive to the resolution.

WOODROW WILSON.

THE WHITE HOUSE,  
Washington, 20 December, 1920.

### WORLD'S DAIRY CONGRESS OF 1922 (S. DOC. NO. 347).

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read and, with the accompanying papers, ordered to be printed and referred to the Committee on Agriculture and Forestry:

### *To the Senate and House of Representatives:*

I transmit herewith a report by the Acting Secretary of State, with an accompanying copy of a letter from the Secretary of Agriculture, favoring legislation by the Congress that will give governmental sanction to the World's Dairy Congress, which it is contemplated to hold in the United States in 1922, and will enable the Government of the United States officially to invite participation of foreign Governments therein.

I invite the attention of the Congress to the commercial and scientific value which the Secretary of Agriculture thinks would accrue to the important dairy industry of the United States by holding the proposed congress, and I ask for the matter the favorable consideration of the Congress.

It will be observed that no appropriation is asked for at this time, but that if the holding of the proposed congress be authorized by the Congress of the United States, it may be that the dairy organizations of the United States may, if found necessary, ask the Congress for a small appropriation in addition to the \$100,000 which they themselves purpose to raise.

WOODROW WILSON.

THE WHITE HOUSE,  
23 December, 1920.

### COLOMBIAN TREATY.

Mr. THOMAS. Mr. President, I wish to give notice that on Monday, the 3d of January next, at the close of the routine morning business I shall submit to the Senate some observations upon the proposed treaty between the United States and Colombia.

### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the following bills and joint resolution:

S. 1. An act authorizing the cutting of timber by corporations organized in one State and conducting operations in another;

S. 2977. An act to amend section 8 of an act to provide for the sale of desert lands in certain States and Territories ap-

proved March 3, 1877, as amended by an act to repeal timber-culture laws, and for other purposes, approved March 3, 1891; and

S. J. Res. 227. Joint resolution extending the time within which the special committee appointed to investigate the advisability of establishing certain naval, aviation, and submarine bases in the United States is required to make its report to Congress.

The message also announced that the House had passed the following bills and joint resolution, in which the concurrence of the Senate was requested:

H. R. 15275. An act imposing temporary duties upon certain agricultural products to meet present emergencies, to provide revenue, and for other purposes;

H. R. 12045. An act to provide for the conveyance of lots on the low grounds of Washington, District of Columbia;

H. R. 12161. An act to amend an act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909. (35 Stat. L., 1134);

H. R. 10920. An act declaring Platte River to be a nonnavigable stream;

H. R. 14122. An act to authorize the sale of a portion of the Copper Harbor Range Lighthouse Reservation, Mich., to Houghton and Keweenaw Counties, Mich.;

H. R. 9389. An act to consolidate, codify, revise, and reenact the general and permanent laws of the United States in force March 4, 1919; and

H. J. Res. 346. Joint resolution extending the time for payment of purchase money on homestead entries in the former Standing Rock Indian Reservation, in the States of North and South Dakota.

The message also announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

A bill (S. 46) for the protection of the water supply of the town of Sunnyside, Utah; and

A bill (S. 2964) providing additional time for the payment of purchase money under homestead entries of lands within the former Fort Assiniboine Military Reservation in Montana.

The message further announced that the House had passed with amendments the bill (S. 2188) to amend section 3 of an act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1902, and for other purposes," approved March 3, 1901, in which the concurrence of the Senate was requested.

The message further announced that the House agrees to the amendments of the Senate to the bill (H. R. 7930) to provide for the treatment in hospital of diseased alien seamen.

The message also announced that the House had passed a concurrent resolution (H. Con. Res. 68) for printing statistics of imports and duties, 1908-1918, as a House document for the use of the House and the Senate, in which it requested the concurrence of the Senate.

The message further announced that the House had passed a concurrent resolution (H. Con. Res. 69) for printing Summary of Tariff Information, 1920, as a House document for the use of the House and the Senate, in which it requested the concurrence of the Senate.

#### ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills and joint resolution, and they were thereupon signed by the Acting President pro tempore:

S. 4565. An act extending the time for the doing of annual assessment work on mining claims for the year 1920 to and including July 1, 1921;

H. R. 7930. An act to provide for the treatment in hospital of diseased alien seamen; and

S. J. Res. 212. Joint resolution directing the War Finance Corporation to take certain action for the relief of the present depression in the agricultural sections of the country, and for other purposes.

#### PERSONAL EXPLANATION—THE DYE INDUSTRY.

Mr. THOMAS. Mr. President, I ask the indulgence of the Senate for a few moments regarding an editorial in the New York Times of the 21st instant and a communication to it from Dr. Charles H. Herty, to both of which my attention was called in a letter received yesterday signed by John Franklin Crowell. The fact that both the communication and the editorial refer to me personally, and evoked this inquiry, must be my explanation to the Senate for trespassing upon its time. The letter which inclosed one of these documents is brief, and I shall read it:

Your reputation for fairness and public spirit and attitude on business questions, from which your position in the dyestuffs bill seems to me to be a departure, leads me to ask whether your actual position is correctly represented in the inclosed clipping. While I have no thought of financial interest in the Longworth bill, it seems to me to be in line with public interest and deserving of support. I am equally sure that you must have some good reason for your position, and I would appreciate being advised.

The editorial bears the caption "The Threatened Dyestuff Industry," and I can read it in less time than in attempting to state its purport.

#### THE THREATENED DYESTUFF INDUSTRY.

Like the American merchant marine, the dye and dyestuff industries were an incident and achievement of the War with Germany; in other words, if there had been no war there would now be no American ocean ships to carry American cargoes to every port in the world, and there would be no valuable dyestuff industry, indispensable to manufacturers and employing a great army of workmen. No American would propose the scrapping of the merchant marine or tolerate it. Why should the dyestuff industry be scrapped or sacrificed? Any mistake in legislation dealing with this American industry that grew out of the exigencies of the war would cause rejoicing in Germany. The Germans alone would benefit by it. They would profit enormously if our new industry were neglected and allowed to languish, ultimately to perish.

It should not be forgotten that during the war the Germans turned dye factories into poison-gas factories and were very near to winning the war in the drive of March-April, 1918, by gassing the allied troops. Two years ago, when American hospitals were filled with soldiers suffering tortures from the effects of the enemy's poison gas—hundreds of soldiers had been asphyxiated and died on the field—the American dyestuff industries were struggling toward prosperity without the aid of German dyes, and public opinion demanded that they should be made self-sustaining, so that they could stand alone and be independent. A good deal of capital has since been invested on the justifiable assumption that Congress would assist with necessary legislation after the war when Germany endeavored to recapture her dye and dyestuff trade.

At the first session of the present Congress Mr. LONGWORTH, of Ohio, introduced in the House a bill to safeguard the industry for a limited period and to enable consumers to obtain dyes which American producers are not yet able to furnish. The measure was described as "a bill to regulate the importation of coal-tar products and to promote the establishment of the manufacture thereof." American textile concerns were to be supplied with imported dyes through a commission which would issue licenses upon application. The commission, consisting of representatives of leading manufacturers' associations, was to allow only importations actually needed.

I might say, Mr. President, that that commission is still functioning and excluding all dyes that are not a prime essential to American industries.

In England a licensing bill has passed the House of Commons and will become a law. In the interval since ratification of the peace treaty the Germans have "dumped" dyes and dyestuffs valued at \$5,000,000 into England, and the home industry would be ruined without legislative help.

England placed an embargo upon all German dyes very shortly after the armistice, and so did France; but both were soon compelled to repeal those drastic provisions in order to secure a sufficient supply for their textile industries.

In this country the home industry will collapse unless legislation on the lines of the Longworth bill is provided. The Longworth measure has already passed the House. In the Senate two Senators, THOMAS, of Colorado, and MOSES, of New Hampshire, prevented passage, and unless their obstruction is overcome by the plain logic of the situation or by closure in an extremity the American dyestuff industry is doomed. If it deserves support and assistance—and there should be no cavilling about the wisdom of sustaining and encouraging the industry—the Longworth bill can be amended to perfect it. Before the peace treaty is ratified or peace with Germany made in any way the protecting law should be on the statute book.

This editorial, Mr. President, was evidently inspired by the communication from Dr. Charles H. Herty. Dr. Herty is the editor of a chemical journal representing the chemical industry. He was formerly a professor in two of the universities of the South, that of Georgia and of North Carolina. He was then a tariff-for-revenue man, but has since been converted to the extreme doctrine of protection. Macaulay said that there is no zeal like the zeal of an apostate and no hatred like the hatred of a renegade. I am not disposed to apply this aphorism in all its harshness to this gentleman, notwithstanding the fact that his zeal for an embargo on dyestuffs imports would fully warrant my doing so.

The doctor went on a mission to France and Germany last winter partly to secure dyestuffs, which he did not secure, and partly to ascertain the condition of the industry over there. He went to Ludwigshafen, where the Badische factories are located; he saw smoke coming from 12 out of 14 chimneys; he never stopped to inquire further but hastened to the seacoast, took the first ship sailing to America, and breathlessly informed the committee because of that situation that the German dyestuff industries had been resurrected, were running full blast, and would soon deluge this country with their merchandise. Before our committee he went so far as to say that our one protection would be to require Germany to scrap and dismantle all her dye and chemical establishments.

I refer to these matters as indicating the extremes of view which this gentleman indulges and which may palliate the making of the absolutely unfounded statements of his communica-



tion upon which the Times, which is a very fair and reliable publication, particularly as regards its editorial statements of fact, bases this editorial. I am sure it was made on secondhand information, else its conclusion that without the drastic provisions of the Longworth bill the industry is doomed, for that is both silly and absurd.

I shall not read all of this letter, Mr. President, but shall ask leave at this time to insert it in the Record as a part of my remarks.

The PRESIDING OFFICER. Without objection, permission to do so is granted.

The letter referred to is as follows:

THE DYE BILL—CONDITIONS OF THE INDUSTRY IN GERMANY AND HERE.

To the Editor of the New York Times:

Two years ago, when our hospitals were filled with American soldiers wounded by the poison gases made in German dye factories, when our textile, leather, paper, and other industries were smarting under the experience of servility to a foreign nation for supplies of needed dyes, the thought of the Nation was clear as to the necessity of a complete self-sustained American dye industry.

That thought reflected itself upon the Congress of the United States and found expression more than a year ago in the passage by the House of Representatives of the Longworth bill, a measure adequately protecting for a limited time our rapidly growing dye industry and at the same time insuring ample means for consumers to obtain those dyes which American producers are not yet in position to furnish.

During the intervening year a remarkable situation has developed. Two pictures have been painted which should be exhibited before all thoughtful Americans.

In Germany, despite the protestations of poverty and consequent inability to meet reparation payments, the unification of the great German dye plants, effected in 1916 and originally planned to continue until 1960, has now been extended to the year 2000. For the enlarged operation of these plants new capital is being called and eagerly subscribed by German citizens. Badische, Bayer, and Hoechst are each adding 90,000,000 marks, Berlin Anilin 30,000,000 marks.

An entirely new factor now enters. The world's destiny is more closely bound up in the utilization of nitrogen than in that of any other chemical element. This element when properly harnessed affects food supply, dominates war material, and enters largely into dye manufacture. It is the one raw material of which Germany has an unlimited supply, as it constitutes four-fifths of the atmosphere. For its utilization under the Haber process but little power is required. Prof. Haber, who worked out the details of this process, is the same Prof. Haber who was the head and front of Germany's war gas program. The future operation of the Haber process on a greatly increased scale is now under a special organization controlled by the dye cartel or trust, the present capitalization of the nitrogen organization being fixed at 500,000,000 marks. To-day the American representative of this organization is endeavoring to sell nitrite of soda at very low prices from "that portion of nitrite of soda as produced by the Badische Anilin and Soda Fabrik of Germany through their atmospheric nitrogen development which has been allotted for consumption in the United States." A letter from this agent further states: "We have instructions from Germany to find out the prospects of nitrite of soda consumption in the United States over the year 1921."

That is the picture which, more than any other, bears directly upon the future peace of the world.

Look now at the other picture painted by our own hands.

The Longworth bill went to the Senate more than a year ago, extended hearings were held, a skeptical Senate was convinced, and the bill, indorsed by Republicans and Democrats alike, was favorably reported last spring, though the importers of German dyes and a small group of textile interests opposed it at every step. It has been impossible to gain a vote on the measure. Why? Because two Senators, one a Republican and one a Democrat, Senators MOSES and THOMAS, have conducted a determined filibuster, under the Senate rules, against the measure and are still determined to continue that filibuster.

Mr. THOMAS. Dr. Herty says that Badische, Bayer, and Hoechst, who are German manufacturers of dyestuffs and chemicals, have each added 90,000,000 marks to their capital. This is one of his sinister indications of returning German dye prosperity; but, Mr. President, when we consider that the mark is now worth less than 2 cents, when before the war it was worth nearly 25 cents, it will at once be seen that this capital, though prodigious in figures, is actually very small as regards actual value. And it is far less than the water which has recently been injected into the American dye combinations to which I shall shortly refer.

The doctor then refers to the manufacture of nitrates in Germany, which I think the farmers of this country now need about as badly as they have ever needed fertilizer. What a calamity cheap nitrates would now be to agriculture. Dr. Herty, after singing his usual hymn of praise to the Longworth bill, in behalf of which hearings were had which he says converted or convinced a skeptical Senate, refers to the fact that the bill failed to reach a vote because of the opposition of Senators THOMAS and MOSES. Then, he adds:

As a result of this inaction, this uncertainty as to the future, the continued growth of the American dye industry has been seriously set back. Contemplated developments have been postponed; research staffs are being curtailed; chemists whose work had accomplished such brilliant results during the past four years are now seeking employment; capital has become shy; the enthusiasm of the many prospective chemists now filling our university laboratories is becoming chilled—all because two Members of the Senate are obdurate.

The American picture has been blotched. For its restoration only one means remains—the adoption of a closure rule on this bill by the Senate. No matter how great the hesitancy may be regarding the adoption of a closure rule, the situation demands it. Arguments on the

merits of the bill are no longer needed. The case has been made out. Bring the measure to a vote. Vital interests are too deeply at stake for two Members of the Senate to block a nation's will.

CHARLES H. HERTY.

NEW YORK, December 17, 1920.

Mr. President, I shall not now inflict another argument upon the Senate regarding this measure, but I will confine myself so far as I can to the charge made and particularly to the editorial in the Times which falsely, although perhaps ignorantly, declares that without the immediate enactment of this particular bill the dye industry is doomed. I may say, however, that as a prelude to this editorial the New York Times on the 7th day of December, 1920, published an article purporting to be a dispatch from Berlin dated the 6th day of December, entitled:

German dye firms prepare to sweep world. Public shares confidence and offers capital.

Then follows a remarkable statement which the uninitiated would construe as meaning that the commercial and industrial activities of the German people and the capitalists of Germany, especially as to this particular industry, were being devoted and all of their energies, all of their time, and all of their money were being consecrated to the rehabilitation of this particular business, and that the alarm was being sounded to the American manufacturer of pending destructive German competition; yet in the next column of the paper—and I have made the clipping together—appeared another dispatch of the same date from Berne, Switzerland, headed:

Germany starving, observers assert. Find children in shocking state from underfeeding, and people perishing of cold. Forster fears anarchy. Unless effective aid comes quickly no one can foretell the consequences.

In the same paper, on the same page, and in adjacent columns, the New York Times informed the people of the United States, first, that Germany is resuming her antewar prosperous industrial condition; and, second, that her people are starving to death and must have help at once if a great human calamity is to be averted. There is no need to comment upon such a contradiction.

Now, Mr. President, a few words regarding the condition of the dye industry. Before the close of my remarks at the last session I obtained possession of and introduced a contract between the Levinsteins and the Du Ponts under which, like the Pope of old, they divided the world into two great divisions, the eastern half, so far as the dye trade was concerned, to be occupied by the Levinsteins and the western half by the Du Ponts. Shortly prior to, and, I think, on the last day of the session, or late at night on the next to the last day, a Senator from this floor referred to my criticisms of the document, and said that it was merely designed to give to each information concerning a particular trade which might be used for the benefit of all; in other words, that it did not create or tend to create a monopoly simply because there were industries outside the pale of its influence, and, of course, in these days nothing is a monopoly which is not the equivalent of a complete industrial despotism.

The matter referred to is as follows:

[New York Times, Tuesday, December 7, 1920.]

GERMAN DYE FIRMS PREPARE TO SWEEP WORLD; PUBLIC SHARES CONFIDENCE AND OFFERS CAPITAL.

BERLIN, December 6.

All big concerns in Germany are going to fortify themselves with large amounts of new capital so as to face the fight for the world's markets.

The most conspicuous feature of the German money market of late has been the fact that of the three chief dye-making firms, Messrs. Friedrich Bayer, Badische Anilin und Soda Fabrik, and the Meister Lucius concern is each calling for 90,000,000 marks of fresh capital. The Anilin Fabrikation Co., another member of the trust which lately announced a dividend of 18 per cent, is calling for an additional 30,000,000 marks. There is, I am told, a rush for these shares, as the public has confidence in the ability of the dye companies, and the latter are equally sure of their future.

A member of the board of directors of a well-known company, which during the last year multiplied its previous year's profits by six-fold, told me the other day that the Dye Trust was so certain of the superiority of its productions that it has no reason to suppose any restrictions will bar its activities in the world's best markets. Dye Trust agents who have been in England, he said, returned greatly encouraged, and from most other countries reports are altogether satisfactory.

Another big concern, that of Messrs. Franz Rasquin & Co., of Muelheim, announced net profits just over 3,000,000 marks, as against 600,000 marks last year, and it increased its dividends from 30 to 40 per cent. The firm's report states that it "has large orders in hand at good prices."

In order to speed up the dye business the trust is unloading its interests in the Merzbürg and Opan Chemical Manure Works onto a new company with 500,000,000 marks capital, and the trust arrangement, made in August, 1916, to expire in December, 1925, has been extended so as to remain in force. The capital of the trust, formed of seven companies, will be 962,800,000 marks. Four of the chief firms of the trust employ nearly 1,000 research experts.

Regarding foreign trade, the trust is pressing its export department to obtain relief from export restrictions, and the Government is doing all it can in its own way. I learn that reports, even from such places

as Venezuela and China, are very satisfactory. In Venezuela German dyes are pushing out American products, while China took, in the three months of April, May, and June, half the amount of the aniline dyes that England imported in six months. Holland is another market in which German dye firms are doing exceedingly well. During the first half of the present year Holland imported from Germany nearly 18,500,000 florins worth of all kinds of dyestuffs, which at the present rate of exchange means about 380,000,000 marks. Of that amount aniline and tar dyes accounted for 4,500,000 florins, against 180,000 florins for the first half of last year.

It is a curious fact that some German dye firms are running on coal from the United States. German dye-firm agents who have been to the United States report an extremely cool reception, and it is recognized that there will still be a fight for the trade there.

GERMANY STARVING, OBSERVERS ASSERT—FIND CHILDREN IN SHOCKING STATE FROM UNDERFEEDING AND PEOPLE PERISHING OF COLD—FOERSTER FEARS ANARCHY—UNLESS EFFECTIVE AID COMES QUICKLY NO ONE CAN FORETELL THE CONSEQUENCES, HE SAYS.

BERNE, SWITZERLAND, December 6.

For some time past persons of all nationalities returning from Germany have been warning the world with ever increasing vehemence that the great majority of the German people are too underfed to endure the coming winter, even if they could keep their homes warmed, whereas, on the contrary, their homes are mostly unheated. To-day Prof. F. W. Foerster, well known not only as a man of science, but on account of the moderation and courage of his attitude during the war, warns the civilized world through the medium of the *Neus Zuercher Zeitung* that unless help on a large scale can be given to Germany immediately disaster must overtake her and Europe.

"Besides holding solemn conferences, eminent financiers of all countries absolutely must meet to discuss the desperateness of the food conditions in central Europe," he says. "Before their proposals can be acted upon experienced organizers throughout the civilized world must collaborate to undertake relief measures on a large scale in order temporarily to check the underfeeding in German towns and cities. The impending starvation of millions of people during the winter cold is heartrending, and there could indeed be no finer way of celebrating the first consolidation of the League of Nations in Geneva than by taking extensive measures to help central Europe."

"Should Germany continue to suffer so acutely from underfeeding she will develop into a terrible powder magazine, threatening all Europe, as will appear every day more clearly."

Dr. Foerster contends that it is useless to expect Germany to rehabilitate Europe by her labor because she is fast becoming, if she hasn't already become, too nervously and mentally exhausted and too physically weak to do so, even with the best will in the world. Again, he insists on what observers have said that her mental exhaustion and hopelessness expose her to every kind of mental epidemic, such as bolshevism, and cause the German people to listen to wild utterances to which in normal circumstances they would be far too sensible to pay any attention.

British and American Quakers have done much for German women and children, but while grateful for their efforts, Dr. Foerster says these are merely a drop in the ocean. Neutral medical men who have visited various parts of Germany lately bear out Dr. Foerster, and one doctor narrates, without surprise, that an American lady belonging to an American Quaker commission sent to Berlin fainted in a dispensary at sight of the state of Berlin children who had been brought in wrapped in newspapers and in an indescribable condition owing to underfeeding. The condition of new born and older children is so distressing that a Berlin physician has gone the length of seriously addressing parents and telling them that in the present circumstances it is their duty not to bring children into such a world.

Dr. Foerster asks the public not to accuse him of propaganda, and few who know his attitude during the war would be inclined to do so.

Mr. THOMAS. I made the statement then, and I repeat it now, that the real purpose behind this measure—which is not needed at all—is to effectuate a great single consolidated interest here, representing not only this particular branch of chemical development, but the entire chemical industry of the United States. I also made the assertion that the vast capital of the Du Ponts, derived from their various activities, gave them the ability to absorb other industries practically without limitation; and that statement has been verified by the fact that during the vacation of this body the Du Pont Co. has acquired absolute control of the General Motors Co. Of course, that is not an industry connected directly with the subject of my remarks, but it indicates that the income of this vast industrial enterprise is so huge that its beneficiaries may at will absorb any business that may be in the market through a transfer of its corporate shares.

I also then emphasized the very prosperous condition of the dye industry, as represented by the Du Ponts and their competitors. I now call attention, as confirmatory of that statement, to an advertisement of the Du Pont Co. which appears in the *Color Trade Journal* for December. It consists of a beautiful and attractive lithograph or steel engraving or picture of what is called "the heart of the American dyestuffs industry, the Deepwater works of the Du Pont Co. at Deepwater, N. J.," with a statement in the form of an advertisement, wherein this company commits itself:

Building for permanence and not to meet a war-time emergency, our vast Deepwater plant is the visible pledge of the Du Pont Co. to America that her dyestuffs needs will be met, no matter what the situation without her borders.

Let us contemplate that for a moment. It "will be met, no matter what the situation without her borders." Yet Herty and the Times declare that the industry is doomed if we do not speedily place an embargo upon the importation of German dyes

and increase the duties now prevailing and which the dye manufacturers themselves were permitted to write in 1916.

From the research laboratory, through every phase of manufacture back to the checking laboratory, adequate facilities, involving a tremendous investment, are provided for large-scale production of the essential dyestuffs required by the textile manufacturers and other dyestuffs-consuming industries.

That is the Du Pont statement to the people; but there are other announcements in the same periodical upon this subject which are very illuminating.

I turn next to the advertisement of the United States Color & Chemical Co., on the next page, presenting pictures of nine different establishments belonging to it, and from their appearance certainly in a state of high efficiency. The text of the advertisement is equally illuminating.

Mr. McLEAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Connecticut?

Mr. THOMAS. I do.

Mr. McLEAN. I do not wish to curtail the interesting remarks of the Senator from Colorado, but I have here two reports from the Committee on Banking and Currency that ought to be acted on to-day.

Mr. THOMAS. Mr. President, I shall take but a very little time. I should not have asked the indulgence of the Senate but for the personal nature of the communication and editorial to which I have called attention.

Mr. McLEAN. If it is the Senator's purpose to close by 1 o'clock I shall not interrupt him further at this time.

Mr. THOMAS. I shall occupy only a very few moments, I hope, beyond what I have already taken.

There are other advertisements of other equally prosperous institutions engaged in this business, evidently oblivious of the doom which hangs over them because of the unpatriotic and reprehensible conduct of two Senators of the United States.

Another combination, this of dye manufacturers themselves, during the interval between our adjournment and our reassembling, is that of the Barrett Co. The Barrett Co. was prosecuted in 1913, or shortly afterwards, and successfully so, for a violation of the antitrust law. It seems, however, to have recovered from that knockout blow, if it was one, and is now one of five large corporations which have consolidated to form the Allied Chemical & Dye Corporation. The president of the Barrett Co. announced in the Barrett Trail for October that—

All of the merging companies will be run as independent entities. So that as far as the Barrett Co. is concerned there is contemplated no change of any kind in its manner of conducting its business or in its personnel.

The Allied Chemical & Dye Corporation made a statement during the last week of September, 1920, scarcely 60 days ago, giving the assets, liabilities, and income of the consolidated companies—the Barrett Co., the National Aniline & Chemical Co., the Solvay Process Co., the Semet-Solvay Co., and the General Chemical Co.

Here is the financial statement of this suffering, this doomed corporation:

The income account covered the first six months of 1920, during which time the net income before depreciation and taxes was \$22,381,649. After reserve and taxes the net income available for dividends was \$12,825,241. Total assets on December 31, 1919, amounted to \$223,941,660, and current assets, \$94,175,790. Current liabilities on the same date amounted to \$29,161,845.

Does this showing resemble that of a tottering and practically doomed enterprise?

The proportion of outstanding stocks of the consolidating companies is given:

Barrett Co., preferred, 93.78 per cent; common, 95.14 per cent.  
National Aniline Co., preferred, 90.35 per cent; common, 98.18 per cent.

Solvay Process Co., 99.82 per cent.

Semet-Solvay Co., 97.01 per cent.

General Chemical Co., preferred, 92.71 per cent; common, 95.83 per cent.

And these, Mr. President, have followed the usual course. This capitalization has been used as the basis for an added capitalization, a watered capitalization, a fictitious capitalization; and when it comes to die because of the obstructive tactics of two Senators it will have the consolation that in its career it never missed a single opportunity offered by the practices of this commercial world for the dropsical increase of a capital stock as the basis of prices for its products to the consumers of this country.

Of the other companies involved in the merger, the National Aniline & Chemical Co., organized in 1917, represents an amalgamation of a large number of other interests. It has capital stock, authorized and outstanding, of 395,900 shares common stock of no par value, but of the stated value of \$5 per share,



and \$23,000,000 7 per cent cumulative preferred. A large part of the common stock is owned by the General Chemical Co., and so forth.

The Solvay Process Co.'s authorized capitalization is \$36,000,000; outstanding, \$22,500,000.

The Somet-Solvay Co., authorized, \$20,000,000; outstanding, \$16,000,000.

The General Chemical Co., authorized \$20,000,000 common and \$20,000,000 6 per cent cumulative preferred. Outstanding May 15, 1920, \$19,000,000 common, \$16,000,000 preferred, par of \$100.

Mr. President, I have said sufficient for my purpose. I have shown facts and figures supplied by some of these institutions themselves. The claim that this bill is essential to their continued existence is utterly and incredibly false. It can have but one purpose—to force the hand of this Congress during its short session by the imposition of a cloture upon the Senate, to the end that the monopoly shall be made absolutely complete and, of course, upon the unselfish and patriotic plea that it is essential as a war industry to the protection of the Republic in the event hostilities shall again occur between this and some other nation.

Let me now refer for a moment to some figures showing our imports and exports of dyestuffs. I read from the same journal.

For the month of September our domestic exports to all countries of aniline dyes—I will not refer to the dyes which are not produced from coal-tar derivatives—were \$2,299,516. Those are the figures of our exports. Our imports of alizarin dyes amounted to \$3,054; colors or dyes not elsewhere specified, \$314,659. This is the dyestuff import trade that is "overwhelming" the American industry. At that rate, Mr. President, the total annual imports will not exceed \$2,000,000 or \$2,500,000. But here is something equally assuring in this journal entitled:

United States foreign trade for 1919 and 1920 in finished coal-tar colors and indigo. (Prepared by the Division of Statistics, Bureau of Foreign and Domestic Commerce.)

From this it appears that our imports of dyes in 1919, including all sorts of dyes, totaled \$3,169,276.

Coming to the growth of exports, on page 197, we have this information: First, that Switzerland is now the chief source of coal-tar colors and dyes and of synthetic indigo imported into the United States in the calendar years 1918 and 1919.

Exports of aniline dyes—

Exports, mind you—

amounted to \$10,183,948 in the fiscal year 1919, but increased to \$17,130,397 in 1920, a gain of 68 per cent in the last year.

The high tide of German importation of dyes to this country scarcely exceeded \$15,000,000 per annum. This industry, this American industry, controls very largely the export trade in dyes. It is so powerful in its activities and so prosperous at present—and I am glad of it—that the only need for foreign dyes manifested in our trade reports is embodied in the figures, less than two and a quarter millions a year; and, of course, constituting dyes which do not enter into competition with domestic dyes and which the American trade must have, else the War Trade Board, which sits clothed with power and majesty just below the War, State, and Navy Department Building, issues its permits, according to its own discretion, or refuses them, which is more likely the case, for the importation of dyes which are absolutely needed, which up to this time have not been manufactured here.

But let us proceed:

With the return to peace it is evident that whatever the demand for dyes made in Germany may be, that country will never regain its lost supremacy in the world trade in dyestuffs.

Mr. REED. Is that an editorial?

Mr. THOMAS. This is the report of the United States foreign trade for 1919 and 1920 in finished coal-tar colors and indigo, prepared by the Division of Statistics, Bureau of Foreign and Domestic Commerce, but published in a periodical which is devoted to the passage of this bill.

I continue reading:

The United States was first to establish a domestic industry sufficient to meet the demands of the home market. This was done on private initiative and capital.

That is the way it ought to have been done.

The British Government has established a definite policy, backing it financially, to develop this industry and maintain it so that England will not again be dependent on outside sources for its colors and dyes. Although the British production is constantly increasing, it has not been able to overtake the increasing demand. A recent estimate gives the total output as equal to about 80 per cent of the dyes actually consumed in the United Kingdom.

The United Kingdom seems to be doing pretty well.

France, Italy, and Japan are producing some dyestuffs, but due to lack of raw materials and to other difficulties incident to establishing the manufacture these countries can not yet supply their own textile factories with the quantity and variety of colors needed. Germany,

it is now conceded, will not be the strenuous competitor she was formerly in the foreign trade. Switzerland is the only country, other than the United States, now making aniline colors sufficient to meet its own requirements and to export on a large scale, and the Swiss are dependent on other countries for the raw materials.

Let me say here that the United States is exporting some coal-tar intermediates, derived from American coal, to Germany, because they are needed by the German chemical industries and can not be secured from their domestic supply.

This article continues:

The United States has abundant coal to supply the raw materials for making aniline dyes. Private capital has been supplied as fast as it could be utilized in establishing scores of factories and in training skilled operatives and chemists for actual and experimental work on a large scale. There has been an increasing tendency since 1916 to centralize or consolidate domestic enterprises, in order to cut overhead expense, utilize all by-products, and reduce the price of finished dyes. This has not only increased production but has developed a foreign trade, as shown by the wide distribution of American aniline dyes exported in the calendar years 1918 and 1919. The value of the exports for these years is shown in the table on the following page.

Mr. President, I ask leave to print as a part of my remarks the article from which I have just read, and the title of which I have given. It covers only two pages of this document; and also the report I read concerning the Barrett Co.

There being no objection, the matter referred to was ordered to be printed in the Record, as follows:

UNITED STATES FOREIGN TRADE FOR 1919 AND 1920 IN FINISHED COAL-TAR COLORS AND INDIGO.

[Prepared by the Division of Statistics, Bureau of Foreign and Domestic Commerce.]

The domestic coal-tar color industry, reborn of the war, continues to thrive in times of peace as evidenced by a comparison of the foreign trade during the fiscal year ended June 30, 1920, with that of 1919.

Imports of alizarin and alizarin dyes increased from 11,797 pounds, valued at \$13,286 in 1919, to 257,841 pounds, worth \$103,236 in 1920. Receipts of other finished coal-tar colors and dyes rose from 1,934,021 pounds, valued at \$2,753,116, to 2,785,904 pounds at \$3,775,216, or an increase of 44 per cent in the quantity and 37 per cent in value during the same period.

SWITZERLAND THE CHIEF SOURCE OF COAL-TAR COLORS—INDIGO TRADE.

Switzerland has the place formerly held by Germany as the leading source of the coal-tar colors imported into the United States, the receipts rising from 1,243,135 pounds, valued at \$2,047,043 in 1919, to 1,454,811 pounds, worth \$2,500,933 in 1920, followed by imports from the United Kingdom of 616,720 pounds, invoiced at \$609,238 in 1919, and 558,166 pounds at \$567,258 in 1920, with smaller amounts from Germany and other countries during the same year.

Imports of natural indigo declined from 996,069 pounds, worth \$1,242,885 in 1919, to 126,539 pounds, valued at \$165,332 in 1920; but the imports of synthetic indigo increased approximately 70 per cent in quantity and value, from 594,107 pounds, invoiced at \$308,582 in 1919, to 1,014,100 pounds, valued at \$530,285, in the year just ended. This was to be expected, as synthetic indigo is superior commercially to the vegetable product, the color being more even, and the cost of production prior to the war less than that of the natural indigo. As the bulk of the laboratory product was made in Germany, when imports were cut off by the war the trade in the natural product revived, but apparently will not be able to hold its place under peace conditions in competition with the synthetic indigo, more especially as the latter is now being produced on a commercial scale, in the United States and countries other than Germany.

The fiscal year figures are more readily comparable in the following tabular form:

Articles, and countries from which imported.	1919		1920	
	Pounds.	Value.	Pounds.	Value.
Alizarin and alizarin dyes.....	11,797	\$13,286	257,841	\$103,236
Colors or dyes, n. e. s. ....	1,934,021	2,753,116	2,785,904	3,775,216
Imported from—				
Germany.....	18,518	15,644	430,197	334,955
Switzerland.....	1,243,135	2,047,043	1,454,811	2,500,933
United Kingdom.....	616,720	609,238	558,166	567,258
Other countries.....	55,648	81,191	342,730	372,070
Indigo:				
Natural.....	996,069	1,242,885	126,539	165,332
Synthetic.....	594,107	308,582	1,014,100	530,285

IMPORTS BY COUNTRIES FOR 1918 AND 1919.

As the statistical tables have been changed from fiscal to calendar years, the latest figures available showing the imports of coal-tar colors and of indigo into the United States by separate countries, are for the calendar years 1918 and 1919. Figures for these years are as follows:

Articles and countries.	1918		1919	
	Pounds.	Value.	Pounds.	Value.
Alizarin and alizarin dyes:				
France.....	.....	.....	18	\$250
Switzerland.....	440	\$572	220	2,517
United Kingdom—England..	4,310	3,739	23,417	21,084
Canada.....	1	2	215	414
China.....	500	7,629	5	15
Japan.....	15,141	58,948	.....	.....
Total.....	20,392	70,890	23,875	24,280

Articles and countries.	1918		1919	
	Pounds.	Value.	Pounds.	Value.
<b>Colors or dyes n. e. s.:</b>				
Austria-Hungary.....			1,775	\$1,725
Belgium.....			36,968	63,119
France.....		\$76,606	11,746	20,833
Germany.....			143,031	83,565
Netherlands.....			7,895	7,412
Norway.....			97,519	120,160
Spain.....			11,543	
Switzerland.....	1,762,688		1,284,199	2,176,463
United Kingdom—				
England.....	561,699		609,703	664,545
Scotland.....	345		1,000	859
Canada.....	32,424		17,869	18,765
Cuba.....	322			
China.....	8,790			
British India.....	14,020			
Japan.....	1,102		4,192	11,805
<b>Total.....</b>	<b>2,469,439</b>		<b>2,215,397</b>	<b>3,169,276</b>
<b>Indigo:</b>				
<b>Natural—</b>				
Switzerland.....	25,762	38,719	15,796	29,857
United Kingdom—Eng-				
land.....	264,975	463,510	10,584	16,647
Costa Rica.....			23,270	22,900
Honduras.....	1,674	2,386	10,609	11,336
Nicaragua.....	2,967	4,334	150	240
Panama.....			30	41
Salvador.....	234,452	299,554	60,940	67,262
Chile.....	1,964	2,455		
British India.....	1,138,176	1,284,434	99,397	99,901
British Straits Settle-				
ments.....	16,560	13,248		
Other British East Indies.	15,212	16,640		
Dutch East Indies.....	45,332	69,087		
Russia in Asia.....			6,498	11,931
<b>Total.....</b>	<b>1,747,074</b>	<b>2,194,367</b>	<b>227,474</b>	<b>260,115</b>
<b>Synthetic—</b>				
France.....			87,570	36,807
Switzerland.....	770,212	410,421	726,440	388,067
United Kingdom—Eng-				
land.....	6,817	5,587	1,468	1,970
Salvador.....			8,400	5,729
<b>Total.....</b>	<b>777,029</b>	<b>416,008</b>	<b>823,878</b>	<b>432,373</b>

In the calendar year 1919, of a total of 23,875 pounds of imported alizarin and alizarin dyes, 23,417 pounds came from England, the first of the allied countries to produce them on a commercial scale. The production, however, has at no time since 1914 been equal to the world-wide demand. Experimental work in American laboratories has resulted in a recent announcement by one of the largest factories that it is in a position to begin marketing a number of alizarin colors.

#### SWISS DYES AND SYNTHETIC INDIGO—SOURCES OF NATURAL INDIGO.

Switzerland, though hampered by a lack of intermediates and other raw materials, has been the chief source of coal-tar colors and dyes and of synthetic indigo imported into the United States in the calendar years 1918 and 1919. Swiss colors imported in 1918 were valued at \$1,762,688, in contrast of \$561,699 from England, out of a total of \$2,469,439 from all countries; and \$2,176,463 in 1919, against \$664,545 from England, out of a total of \$3,169,276.

The natural indigo is grown chiefly in China, British India, and the East Indies. The imports shown from England and Switzerland are derived from the Orient. In 1918 the total receipts of this vegetable color amounted to 1,747,074 pounds, valued at \$2,194,367, of which 1,138,176 pounds, valued at \$1,284,434, came from British India; 264,975 pounds, at \$463,510, from England; 234,542 pounds, at \$299,554, from Salvador; and less amounts from other countries. In 1919 total imports dropped to 227,474 pounds, worth \$260,115, the bulk of it coming from British India and Salvador. Natural indigo can be readily grown in the subtropical countries of the Western Hemisphere, but, owing to the higher cost of labor, it can not compete commercially with that from the Orient. Prior to the revolution it was produced on a somewhat extensive scale in the Carolinas.

#### GROWTH IN EXPORTS OF COAL-TAR DYES.

Exports of aniline dyes amounted to \$10,183,948 in the fiscal year 1919, but increased to \$17,130,397 in 1920, a gain of 68 per cent in the last year.

With the return to peace it is evident that whatever the demand for dyes made in Germany may be, that country will never regain its lost supremacy in the world trade in dyestuffs. The United States was first to establish a domestic industry sufficient to meet the demands of the home market. This was done on private initiative and capital. The British Government has established a definite policy, backing it financially, to develop this industry and maintain it so that England will not again be dependent on outside sources for its colors and dyes. Although the British production is constantly increasing, it has not been able to overtake the increasing demand. A recent estimate gives the total output as equal to about 80 per cent of the dyes actually consumed in the United Kingdom. France, Italy, and Japan are producing some dyestuffs, but due to lack of raw materials and to other difficulties incident to establishing the manufacture, these countries can not yet supply their own textile factories with the quantity and variety of colors needed. Germany, it is now conceded, will not be the strenuous competitor she was formerly in the foreign trade. Switzerland is the only country, other than the United States, now making aniline colors sufficient to meet its own requirements and to export on a large scale, and the Swiss are dependent on other countries for the raw materials.

The United States has abundant coal to supply the raw materials for making aniline dyes. Private capital has been supplied as fast as it could be utilized in establishing scores of factories and in training

skilled operatives and chemists for actual and experimental work on a large scale. There has been an increasing tendency since 1916 to centralize or consolidate the domestic enterprises, in order to cut overhead expense, utilize all by-products, and reduce the price of finished dyes. This has not only increased production, but has developed the foreign trade, as shown by the wide distribution of American aniline dyes exported in the calendar years 1918 and 1919. The value of the exports for these years is shown in the table which follows.

#### NEW STATISTICAL CLASSIFICATION OF FINISHED DYESTUFFS.

Soon after the war cut off the supply of imported dyestuffs, on which so many American industries were dependent, it was found that no detailed figures showing the variety and quantity of each color needed were available, as the statistical classification of imports included dyes and colors in a group for which total value only was given. In order to develop a domestic industry the urgent call for adequate statistical information led the Bureau of Foreign and Domestic Commerce to collect and compile in detail from the original import declarations for the fiscal year 1914 the desired data, which were published in Special Agents Series No. 121, Artificial Dyestuffs Used in the United States.

Since then there has been a constantly increasing demand for an expanded classification of the official export and import schedules to make available more specific data in relation to our foreign trade in coal-tar colors. After conferences with experts and others interested in the dye manufacture and trade a revision of these schedules has been made, to be effective after January 1, 1921. The new import classification is as follows:

#### Alizarin and derivatives:

##### Alizarin—

##### Natural.

##### Synthetic.

Colors or color lakes obtained, derived, or manufactured from alizarin.

Dyes obtained, derived, or manufactured from alizarin.

#### Anthracene and carbazole derivatives:

Colors or lakes obtained, derived, or manufactured from anthracene or carbazole.

Dyes obtained, derived, or manufactured from anthracene or carbazole.

#### Other color lakes.

All other colors, dyes, or stains, whether soluble or not in water, color acids, and color bases.

#### Indigo and indigoids:

##### Indigo—

##### Natural.

##### Synthetic.

Dyes obtained from indigo.

Indigoids, whether or not obtained from indigo.

In exports color lakes will be classed separately.

#### FAVORABLE MARKETS FOR AMERICAN PRODUCTS.

Aniline dyes were not shown separately in the statistical classification prior to July 1, 1917, and for the six months ended December 30 of that year the exports totaled \$3,502,218. The shipments in 1918 amounted to \$8,629,611 and to \$10,724,071 in 1919. The Orient offers unlimited opportunities for the exploitation of American-made colors, Japan, British India, and China being the heaviest buyers during the past two years. Shipments to Japan declined from \$2,576,801 in 1918 to \$2,151,191 in 1919, but those to British India increased from \$1,604,022 to \$1,562,244, to China from \$549,605 to \$1,609,060, and to Hongkong from \$97,893 to \$228,788, with considerable gains for other Far Eastern countries. Canada affords the best market for dyes in the western world, taking \$836,445 worth of aniline colors in 1918 and \$1,015,334 worth in 1919. Exports to European countries aggregated \$1,401,732 in 1918 and \$1,560,211 in 1919, the principal markets in order of value being Spain, England, Italy, Portugal, and France. Australia took these products to the value of \$85,035 in 1918 and \$130,985 in 1919. Aniline dyes exported to South America were valued at \$1,719,408 in 1918 and at \$1,631,872 in 1919, Brazil, Argentina, Chile, and Peru being the leading countries of destination.

The world-wide shortage of dyestuffs and the growing demand for both quantity and variety of such materials offer every opportunity to extend the foreign market for American colors.

Articles and countries.	1918	1919
Belgium.....		\$90
Denmark.....		6,334
Finland.....		13,565
France.....	\$6,345	127,039
Germany.....		150
Greece.....	22,139	51,539
Iceland and Faroe Islands.....		870
Italy.....	274,903	269,130
Malta, Goro, etc.....		700
Netherlands.....		26,244
Norway.....		13,663
Portugal.....	176,769	70,296
Russia in Europe.....		8,570
Spain.....	518,895	635,383
Sweden.....		22,694
Switzerland.....	22,500	193
United Kingdom:		
England.....	378,831	413,700
Ireland.....	1,350	
Bermuda.....		33
British Honduras.....	23	
Canada.....	836,445	1,015,334
Costa Rica.....	125	974
Guatemala.....	316	1,037
Honduras.....		200
Nicaragua.....	1,841	1,526
Panama.....	1,415	328
Salvador.....	1,920	1,856
Mexico.....	289,327	467,806
Newfoundland and Labrador.....		768
Barbados.....	38	375
Jamaica.....	20	547
Trinidad and Tobago.....	116	2,961
Cuba.....	21,622	28,834
Dominican Republic.....	209	1,642



Articles and countries.	1918	1919
utch West Indies.....	\$1,440	\$3
Haiti.....	2	156
Argentina.....	458,419	468,459
Bolivia.....	14,268	25,444
Brazil.....	953,407	773,449
Chile.....	103,778	124,242
Colombia.....	16,070	35,247
Ecuador.....	18,064	31,530
Dutch Guiana.....		32
Peru.....	70,463	136,813
Uruguay.....	31,947	42,747
Venezuela.....	52,992	13,909
China.....	549,605	1,609,060
Kwantung, leased territory.....		1,948
Chosen.....		532
British India.....	1,004,022	1,562,244
British Straits Settlements.....	1,347	7,446
Other British East Indies.....		81
Dutch East Indies.....	19,199	137,265
French East Indies.....		48,168
Hongkong.....	97,393	223,788
Japan.....	2,576,801	2,151,191
Russia in Asia.....		1,471
Siam.....		9,169
Turkey in Asia.....		650
Australia.....	85,035	139,985
New Zealand.....	3,549	5,074
Other British Oceania.....	220	
French Oceania.....	12	109
Philippine Islands.....	11,694	41,796
British West Africa.....		3,088
British South Africa.....	2,941	33,153
Canary Islands.....		132
Egypt.....		6,197
French Africa.....	92	2,037
Morocco.....	960	959
Total.....	8,629,611	10,724,071

## MEMORANDUM ON THE BARRETT CO. (OF NEW JERSEY), (DECEMBER 22, 1920).

The company was incorporated February 6, 1903, in New Jersey, under perpetual charter, as the American Coal Products Co.; name changed to The Barrett Co. on February 1, 1916.

General office, 17 Battery Place, New York.  
Plants number about 40 in all, the principal ones being located at New York, St. Louis, Detroit, Nashville, New Orleans, Johnstown (Pa.), Latrobe, Chicago, Cleveland, Birmingham, Salt Lake City, Youngstown, Bethlehem, Elizabeth, Boston, Pittsburgh, Minneapolis, Peoria, Milwaukee, Bangor, Toledo, Columbus, Buffalo, Baltimore, Washington, and Richmond.

Products include roofing and building papers of all kinds, roofing and paving pitch, tarria, carbolic acid, benzol, naphtha, and all coal-tar products.

Capital stock: Authorized, \$25,000,000 common and \$12,500,000 of 7 per cent cumulative preferred; outstanding as of December 31, 1919, \$16,443,100 common and \$7,811,400 preferred; par, \$100.

Officers: Eversley Childs, chairman; W. H. Childs, president; T. M. Rianhard, vice president and general manager; W. N. McIlvray; R. P. Perry, and John C. Runkle, vice presidents; E. J. Steer, secretary and treasurer; and F. M. Stearns, assistant secretary and assistant treasurer.

The original corporation (the American Coal Products Co.) and the Barrett Manufacturing Co. and subsidiaries, were charged with violation of the Sherman antitrust law on March 3, 1913, and on the following day a decree was entered in the Federal district court under which the National Coal Tar Co., Union Coal Tar Chemical Co., W. H. Rankin Co., and New York Coal Tar Chemical Co., all subsidiaries of the Barrett Co., were ordered dissolved and their charters surrendered; the Barrett Co. was also required to eliminate certain restrictive conditions in some of its contracts for tar and further required to operate the following of its active subsidiaries as departments: Warren Chemical & Manufacturing Co., Commonwealth Roofing Co., Warren-Ehret & Co., Eastern Granite Roofing Co., United Roofing & Manufacturing Co. The Barrett Manufacturing Co. owned 70 per cent of the stock of the H. F. Watson Co. of Erie, Pa., and under the court's decree was required to dispose of 25 per cent of the stock of this company.

The Barrett Co. of New Jersey was formerly principally a holding company, conducting its operations through subsidiary companies, of which the Barrett Co. of West Virginia was the principal one. However, on September 16, 1918, the subsidiary companies were consolidated and the assets of the West Virginia company transferred to the Barrett Co. of New Jersey. (Moody's Manual of Railroads and Corporation Securities, 1920, p. 2284.) It is said to own a controlling interest in the Société Anonyme de Matériaux pour Toitures et Routes, and to be associated with Paix & Co. in building a new plant at Courchelette, in northeastern France. (Drug and Chemical Markets, July 7, 1920, p. 12.)

The Barrett Co. is one of five large corporations which have consolidated to form the Allied Chemical and Dye Corporation. The president of the Barrett Co. announced in The Barrett Trail for October that "all of the merging companies will be run as independent entities. So that as far as the Barrett Co. is concerned, there is contemplated no change of any kind in its manner of conducting its business or in its personnel."

The Allied Chemical and Dye Corporation made a statement during the last week in September, 1920, giving the assets, liabilities, and income of the consolidated companies. The Barrett Co., National Aniline & Chemical Co., the Solvay Process Co., the Semet-Solvay Co., and the General Chemical Co. The income account covered the first six months of 1920, during which time the net income, before depreciation and taxes, was \$22,381,643. After reserve and taxes the net income available for dividends was \$12,825,241. Total assets on December 31, 1919, amounted to \$223,941,660 and current assets \$94,175,790. Current liabilities on the same date amounted to \$29,161,845. Among assets, patents, processes, formulae, and good will were valued at \$21,981,845. The bonded indebtedness was \$9,493,074. The Guaranty Trust Co. was appointed depository for the consolidation. (Drug and Chemical Markets, Sept. 29, 1920.)

A further statement was made during the first week of December, 1920, by the committee in charge of the consolidation, to the effect that the consolidation has become operative and the plan will be carried into effect as of January 1, 1921. Temporary stock certificates for the new stock, both preferred and common, will be ready for distribution about January 6. The proportion of outstanding stocks of the consolidating companies now under control of the committee is as follows: Barrett Co. preferred, 93.78 per cent, and common, 95.14 per cent; National Aniline and Chemical preferred, 90.35 per cent, and common, 98.18 per cent; Solvay Process, 99.82 per cent; Semet-Solvay, 97.01 per cent; General Chemical preferred, 92.71 per cent, and common, 95.83 per cent. (Drug and Chemical Markets, Dec. 8, 1920, p. 1225.)

Of the other companies involved in the merger: The National Aniline & Chemical Co., Inc., organized in 1917, represents an amalgamation of a number of interests engaged in the manufacture of aniline oil and salts, coal tar, colors, intermediates, and dyestuffs. The company was formed for the purpose of unifying and coordinating the dyestuffs industry, and its various factories cover the business process of manufacture from the raw material to the finished products. Capital stock: Authorized and outstanding, 395,900 shares common, of no par value, but of the "stated" value of \$5 per share, and \$23,524,700 7 per cent cumulative preferred, par \$100. A large part of the common stock is owned by the General Chemical Co., the Barrett Co., and the Semet-Solvay Co. (Moody's Manual, 1920, p. 2782.)

The Solvay Process Co. was incorporated in 1881 to manufacture soda and its by-products. It is engaged in the manufacture of alkali and its by-products, and through its allied companies, the Semet-Solvay Co. and Solvay Collieries Co., is also engaged in the operation of by-product coke plants. Capital stock: Authorized, \$36,000,000; outstanding, \$22,500,000; par \$100. (Moody's Manual, 1920, p. 1625.)

The Semet-Solvay Co., incorporated in 1916, manufactures iron, steel, coke, copper, lumber, gas acids, explosives, chemicals, etc., and does construction work. Capital stock: Authorized, \$20,000,000; outstanding, \$16,978,886; par \$100. (Moody's Manual, 1920, p. 1573.)

The General Chemical Co., organized in 1899, is a consolidation of a number of companies engaged in the manufacture of heavy chemicals, sulphuric acid, grocery specialties, and baking powder. It controls several corporations through stock ownership and has a large interest in the National Aniline & Chemical Co. (Inc.). Capital stock: Authorized, \$20,000,000 common and \$20,000,000 6 per cent cumulative preferred; outstanding May 15, 1920, \$19,822,900 common and \$16,333,300 preferred; par \$100. (Moody's Manual, 1920, p. 646.)

Mr. THOMAS. Now, Mr. President, just another word: There is no doubt of the power of the Senate to take up this measure and apply the cloture rule. I am not complaining. I have been fighting for a cloture rule ever since I have been here, and I am not complaining. I have simply made use of machinery I have found here which I have not been able thus far to remove, and have utilized for the performance of a duty to myself, to the Congress, and to the people of the United States. With one exception I am opposed to embargoes absolutely, although I shall have some amendments to the embargo bill which passed the House yesterday when it comes over. I am in favor of a temporary embargo on the indiscriminate immigration now flooding this country with hundreds of thousands of immigrants per month, most of them undesirable.

If we really want to stem the tide of depressing conditions, and particularly to aid those American workmen who are to-day out of employment, we should prohibit immigration into the United States for the next year. They are not only taking the bread out of the mouths of and competing with the workmen of this country still engaged in gainful pursuits, but they are threatening the very fabric of our civilization. Of course, I do not mean this statement to apply to all those who are coming, nor to the many good naturalized citizens we have in this country. But when I reflect that the great steamship companies, both of the United States and of the Old World, in their eagerness and greed for gain, are rounding up and crowding immigrants of all nationalities into every nook and corner of every steamship plying between the two continents, and dumping them upon our shores at the rate of millions per annum; when I further reflect that the Commissioner of Immigration warns us that 12,000,000 of these people, no matter how disreputable, will come as soon as they can secure accommodations, I say, Mr. President, that if we are to embargo anything, we should begin there, and I propose to give the Senate an opportunity to vote upon that sort of an embargo when the bill which has just passed the House comes before this body for consideration.

## PETITIONS AND MEMORIALS.

Mr. LODGE presented a memorial of the Amos Lodge, No. 27, I. O. B. B., of Boston, Mass., remonstrating against the immigration of undesirable aliens, which was referred to the Committee on Immigration.

Mr. NELSON presented a petition of the city council of Duluth, Minn., praying for the enactment of legislation for governmental supervision of the coal industry through the Interstate Commerce Commission, which was referred to the Committee on Interstate Commerce.

He also presented a petition of the board of directors, the St. Paul (Minn.) Association, of St. Paul, Minn., favoring the so-called "truth in fabric" bill, which was referred to the Committee on Interstate Commerce.

Mr. CAPPER presented a petition of the Franklin County Wool Growers' Association, of Ottawa, Kans., favoring the Capper-French "truth in fabric" bill, also praying for the enactment of legislation placing a tariff on wool, which was referred to the Committee on Finance.

He also presented a petition of the Farmers' Union, of Flush, Kans., praying for the passage of the Capper antigrain-gambling measure, which was referred to the Committee on Agriculture and Forestry.

Mr. LENROOT. Mr. President, I present resolutions passed by a number of farm organizations meeting in St. Louis on the 16th day of this month, protesting against the Senate amendment to the Capper bill and also protesting against the Poin-dexter antistrike bill. I ask unanimous consent that these resolutions may be printed in the Record.

Mr. SMOOT. Will not the Senator let the resolutions be referred to the proper committee and have them noted in the Record?

Mr. LENROOT. I would, except that one of the bills is on the calendar and the other has passed, so that neither is before a committee.

The PRESIDING OFFICER. Is there objection to printing them in the Record?

There being no objection, the resolutions were ordered to lie on the table and to be printed in the Record, as follows:

NATIONAL BOARD OF FARM ORGANIZATIONS,  
Washington, D. C., December 20, 1920.

To the MEMBERS OF THE UNITED STATES SENATE AND THE HOUSE OF REPRESENTATIVES:

Representatives of farmers' cooperative self-help organizations from 17 States, meeting in St. Louis, Mo., December 16, 17, and 18, unanimously protested the amended form of the Capper-Volstead bill as adopted by the Senate December 15. The conference also unanimously voiced its opposition to the Poin-dexter antistrike bill passed by the Senate last Thursday.

Copies of telegrams on the Capper-Volstead and antistrike measures are included below.

Respectfully, yours,

CHAS. A. LYMAN, Secretary.

[Copy of telegram.]

ST. LOUIS, Mo., December 16, 1920.

Senator KNUTE NELSON,  
Chairman Judiciary Committee, Washington, D. C.:

Farmers meeting here this week, representing several billion dollars' annual cooperative business, earnestly protest amended form Capper-Volstead bill as adopted by Senate yesterday. As lawyer of high standing, do you not agree with us that proviso added by your committee to Volstead bill as passed by House practically nullifies measure? We ask that bill be changed in conference to conform to Volstead bill. Please answer.

(Signed) CHAS. S. BARRETT, Chairman.

[Copy of telegram.]

WASHINGTON, D. C., December 17, 1920.

CHARLES S. BARRETT,  
St. Louis, Mo.:

Telegram received. Will consider the matter referred to in conference.

(Signed) KNUTE NELSON.

#### POINDESTER ANTISTRIKE BILL.

We are opposed to the Poin-dexter antistrike bill adopted by the United States Senate on Thursday.

We deprecate strikes and realize their harmful immediate effects, yet we realize that there are circumstances which under existing conditions make united protest the only means for the self-preservation of the workers.

We believe the bill will cause far greater harm than good, and will cause strikes rather than prevent them. Legislation along similar lines enacted in other lands has been abandoned or has become a dead letter. Public opinion will not sustain them.

We say that in these unsettled times Congress should seek to remove the cause of strikes rather than to make strikes a felony. Our position on the strike question is in line with the position taken by various members of the General Board of Farm Organizations, who last February joined in the publicly declared statement that "the right to cease work, individually or collectively, for adequate reasons is unassailable."

We believe that the propaganda upon the strike question circulated within the past few months, especially among farmers, has been entirely misleading, and that the views as expressed above will be agreed to by an overwhelming majority of American farmers when the question is thoroughly analyzed.

We regret that such prominence has been given in the hearings to the opinions of certain persons claiming to express the view of agricultural organizations, when, in reality, their connection, if any, with such organization is nominal, to say the least.

We endorse the statement made by the secretary of the National Board of Farm Organizations at the hearing on the Poin-dexter antistrike bill last spring, who, concluding his protest, said:

"Provide some certain means of giving justice to all legitimate demands whether of farmers or labor; strike some real blows at excess profits of the great profiteering corporations; put some stability into the public's investment in Liberty bonds; enact some constructive legislation at this session of Congress that will give the people confidence that they have a government that is as willing to protect human lives and happiness as it is to protect dollars—then it will be time enough to take up the question of antistrike legislation, and not till then."

We ask the secretary of the conference to send copies of this resolution to every Member of the United States Senate and the House of Representatives, with the request to defeat by influence and vote this bill or similar measures.

Mr. MYERS presented a petition of the Helena Commercial Club, of Helena, Mont., favoring an embargo on wool and agricultural products, which was referred to the Committee on Finance.

He also presented a petition of the Interstate Conference for the Investigation of Vivisection, praying for the enactment of legislation to regulate, in the District of Columbia and Territories of the United States, the practice of vivisection of animals, which was referred to the Committee on the Judiciary.

Mr. SMITH of Georgia. Mr. President, I present to the Senate a letter from the Chamber of Commerce of the city of Macon, Ga., and also resolutions passed by the Macon Wholesale Grocers, in which they call attention to the increase of rates being made by certain railroads for transportation of freight, and complain that those rates go into effect now without waiting for approval by the Interstate Commerce Commission. In presenting the matter, I merely wish to say that the Senate placed upon the railroad bill a provision that increases should not go into effect except after approval by the Interstate Commerce Commission, and it was lost in conference.

I ask that the resolutions may be printed in the Record.

The PRESIDING OFFICER. Is there objection?

Mr. SMOOT. I shall have to object to printing the resolutions in the Record.

The PRESIDING OFFICER. Objection is made. They will be noted in the Record and referred to the Committee on Interstate Commerce.

Mr. SMITH of Georgia. I do not wish especially to have them printed in the Record, and I had not intended to ask that they be printed in the Record, but the Senator just now consented to the Senator from Wisconsin [Mr. LENROOT] having some resolutions printed in the Record, and therefore I thought I ought to ask that these be printed.

Mr. SMOOT. I want to say frankly that one of the bills referred to in the resolutions presented by the Senator from Wisconsin [Mr. LENROOT] had passed the Senate and the other is on the calendar.

Mr. LENROOT. I would not have made the request had the matter been pending before any committee.

Mr. SMITH of Georgia. This matter is not pending before any committee, and I really thought that the facts set out in the resolutions, which are brief, might well be printed in the Record in order that they might be seen.

Mr. SMOOT. I think the Senator made just as clear a statement of it as is possible.

Mr. SMITH of Georgia. I also present a resolution adopted by Carpenters' Local Union, No. 1927, of Atlanta, Ga., objecting to oriental immigration, which I move be referred to the Committee on Immigration.

The motion was agreed to.

Mr. TOWNSEND presented a resolution of the Chamber of Commerce, Lansing, Mich.; a resolution of the Chamber of Commerce of Traverse, Mich.; a resolution of the Chamber of Commerce, Ann Arbor, Mich.; and a resolution of the Western Michigan Development Bureau, of Glen Haven, Mich., praying that the people of the State of Michigan be afforded opportunity to secure legislation enabling the State to purchase and preserve Camp Custer as a State property, which were referred to the Committee on Military Affairs.

He also presented a resolution of the Grand Rapids Real Estate Board, Grand Rapids, Mich., urging immediate passage by Congress of an amendment to the Federal tax laws, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Travelers' Protective Association of America, St. Louis, Mo., asking for more stringent immigration laws, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Travelers' Protective Association of America, St. Louis, Mo., asking for a comprehensive plan by Congress for the improvement of harbors and inland waterways, which was referred to the Committee on Commerce.

He also presented a resolution of the Mason County Farm Bureau, Scottsville, Mich., asking an import duty on all foreign-grown beans, which was referred to the Committee on Finance.

He also presented a resolution adopted at a meeting of the Joint Association of Postal Employees of Staten Island, N. Y., asking an increase in the salaries of post-office employees, which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the Travelers' Protective Association of America, St. Louis, Mo., asking for an amendment to the income tax law, which was referred to the Committee on Finance.



He also (for Mr. NEWBERRY) presented a memorial from radio station 8-AB, Port Huron, Mich., and also a memorial from the Detroit radio station, Detroit, Mich., remonstrating against legislation proposing to regulate amateur wireless, which were referred to the Committee on Naval Affairs.

He also (for Mr. NEWBERRY) presented a memorial from the Highland Park Woman's Club, Highland Park, Mich., and also a petition from members of the University Club, Harbor Springs, Mich., praying for the enactment of legislation providing for the protection of maternity and infancy, which were laid on the table.

He also (for Mr. NEWBERRY) presented a memorial from the Twentieth Century Club, Detroit, Mich., remonstrating against the enactment of legislation commercializing the national parks, which was referred to the Committee on Commerce.

He also (for Mr. NEWBERRY) presented a resolution adopted by the Grand Rapids Real Estate Board, Grand Rapids, Mich., praying for the enactment of legislation to amend the Federal tax laws, which was referred to the Committee on Finance.

Mr. GRONNA presented a petition of sachems, chiefs, and warriors of the Onondaga Nation and of the Tonawanda Band of the Seneca Nation of Indians in the State of New York, praying for an amendment of House bill No. 288, exempting them from its provisions, which was referred to the Committee on Indian Affairs.

He also presented a resolution of the members of the commission of the city of Fargo, N. Dak., praying for the passage of a bill relative to the mining, marketing, and fixing of the prices of coal, which was referred to the Committee on Education and Labor.

Mr. GRONNA. Mr. President, I have received and I present resolutions from a great number of American Legion posts in my State. As they are all very much in the same form, I will ask to have only one of them printed. It is very brief. Then I will ask to have them all noted in the RECORD and referred to the Committee on Finance.

The PRESIDING OFFICER. Is there objection?

Mr. SMOOT. I must object to having them printed. I would like to have them noted in the RECORD.

Mr. GRONNA. I shall read one of them. It is very brief. I realize that the Senator from Utah may take me off the floor if he chooses.

Mr. SMOOT. I shall not object to the reading after the morning business is closed.

Mr. GRONNA. The Senator may object now, if he cares to do so.

Mr. SMOOT. I object at this time.

Mr. GRONNA. Then, Mr. President, I shall avail myself of an opportunity to take time this afternoon to read as many of them as I may see fit.

Mr. KENDRICK. I present on behalf of my colleague the senior Senator from Wyoming [Mr. WARREN], who is absent on official business, a telegram received from Hon. W. A. Drake, of Fort Collins, Colo., asking for immediate legislation upon meat and meat products.

Also a letter from Mr. G. L. Chesney, of Evanston, Wyo., asking for an embargo on wool, and the immediate enactment of tariff legislation on the same product.

I move that the two communications be referred to the Committee on Finance.

The motion was agreed to.

Mr. KENDRICK. I also present a resolution adopted by the Sheridan Commercial Club, of Sheridan, Wyo., protesting against commercializing the waters of the national parks, which I ask may lie on the table.

The PRESIDING OFFICER. It will be so ordered.

#### AMENDMENT OF PORTO RICAN ACT.

Mr. POINDEXTER. From the Committee on Pacific Islands and Porto Rico I report back favorably without amendment the bill (H. R. 11769) to amend an act entitled "An act to provide a civil government for Porto Rico, and for other purposes," approved March 2, 1917. I ask that the report of the House committee (Rept. No. 674), which accompanies the bill, be printed as the report of the Senate committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### FARM LOAN BONDS.

Mr. McLEAN. From the Committee on Banking and Currency I report back favorably without amendment the bill (S. 4664) to amend the first paragraph of section 20 of the act of Congress approved July 17, 1916, known as the Federal farm loan act, as amended by the act of Congress approved April 20, 1920.

The Federal Farm Loan Board wants to issue a new series of bonds, and under the law as it is to-day the duration of

those bonds is limited to five years, whereas the mortgages or farm loans back of the bonds run for a much longer period, and there would seem to be every reason why the board should be permitted to issue a 10-year bond. The bonds would be more desirable. Your committee were unanimously of the opinion that the resolution should pass, and as the board wishes to print the bonds at once I hope there will be no objection to its immediate consideration.

The PRESIDING OFFICER. The Senator from Connecticut asks unanimous consent for the present consideration of the bill.

Mr. JONES of Washington. Mr. President, I have no objection to the bill. If it can be passed without discussion I shall not object to its consideration now, but it seems to me we ought to dispose of the routine morning business, and then I would have no objection to the bill coming up if it is to be discussed. If there is no discussion—

Mr. McLEAN. I will say to the Senator that if there is any objection—

Mr. JONES of Washington. I have no objection.

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

*Be it enacted, etc.*, That the first paragraph of section 20 of the act of Congress approved July 17, 1916, as amended by the act of Congress approved April 20, 1920, be amended to read as follows:

"Sec. 20. That bonds provided for in this act shall be issued in denominations of \$40, \$100, \$500, \$1,000, and such larger denominations as the Federal Farm Loan Board may authorize; they shall run for specified minimum and maximum periods, subject to payment and retirement, at the option of the land bank, at any time after the minimum period specified in the bonds, which shall not be longer than 10 years from the date of their issue. They shall have interest coupons attached, payable semiannually, and shall be issued in series of not less than \$50,000, the amount and terms to be fixed by the Federal Farm Loan Board. They shall bear a rate of interest not to exceed 5 per cent per annum."

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

#### FORCED SALE OF BONDS.

Mr. McLEAN. From the Committee on Banking and Currency I report back favorably without amendment the bill (S. 4683) to amend section 11 (m) of the act approved December 23, 1913, known as the Federal reserve act, as amended by the acts approved September 7, 1916, and March 3, 1919, and I ask for its immediate consideration.

I explained the bill to the Senate on Monday last. Under the proviso in section 11 of the Federal reserve act as it is to-day all notes, drafts, or bills of exchange discounted for any member bank in excess of the amount permitted under such section must be secured by not less than the like face amount of bonds and notes of the United States issued since April 24, 1917, or certificates of indebtedness of the United States: "Provided further, That the provisions of this subsection shall not be operative after December 31, 1920."

There is something like \$600,000,000 of United States bonds held by the banks that are not fully paid up by the owners, and unless the time is extended for another year the banks will be obliged to call these loans, and the owners will have to force the bonds upon the market. There would seem to be no reason why this time should not be extended. I ask unanimous consent for the present consideration of the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill was considered as in Committee of the Whole, and it was read as follows:

*Be it enacted, etc.*, That section 11 (m) of the act approved December 23, 1913, known as the Federal reserve act, as amended by the acts approved September 7, 1916, and March 3, 1919, be further amended by striking out the words "December 31, 1920" at the end thereof and inserting in lieu thereof the following: "December 31, 1921."

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

#### NEWARK BAY BRIDGE, NEW JERSEY.

Mr. CALDER. From the Committee on Commerce I report back favorably with amendments the bill (S. 4515) reviving, confirming, and renewing the authority of the Central Railroad Co. of New Jersey to construct a bridge across the navigable waters of the Newark Bay, in the State of New Jersey, and I submit a report (No. 673) thereon.

Mr. FRELINGHUYSEN. I ask unanimous consent for the present consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole.

The amendments were, on page 1, strike out the title of the bill down to and including the word "construct," and insert "to extend the time for the construction of," and on the same page, on line 3, after the words "That the," strike out the balance of the line, and on page 2, strike out all of lines 1, 2, 3,

4, 5, and 6 and insert in lieu thereof the following: "times for commencing and completing the construction of a bridge authorized by act of Congress approved August 8, 1919, to be built by the Central Railroad Co. of New Jersey, across the Newark Bay between the city of Elizabeth and the city of Bayonne, N. J., are hereby extended two and five years, respectively, from the date of approval of this act," so as to make the bill read:

*Be it enacted, etc.*, That the times for commencing and completing the construction of a bridge authorized by act of Congress approved August 8, 1919, to be built by the Central Railroad Co. of New Jersey, across the Newark Bay between the city of Elizabeth and the city of Bayonne, N. J., are hereby extended two and five years, respectively, from the date of approval of this act.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The PRESIDING OFFICER. The committee reports in favor of striking out the preamble. If there be no objection, the preamble will be stricken out.

The title was amended so as to read: "A bill to extend the time for the construction of a bridge across the navigable waters of Newark Bay, N. J."

LILLIE K. TITLOW.

Mr. CALDER, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 401, submitted by Mr. LODGE on the 13th instant, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

*Resolved*, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate to Lillie K. Titlow, widow of Samuel C. Titlow, late a policeman in the Capitol, a sum equal to six months' salary at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

ZELDA R. FORE.

Mr. CALDER. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably with an amendment Senate resolution 402, which was submitted by Mr. LODGE on the 13th instant, and I ask for its present consideration.

There being no objection, the Senate proceeded to the consideration of the resolution. The amendment was, in line 3, to strike out the word "Velba" and insert the word "Zelda," so as to make the resolution read:

*Resolved*, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate to Zelda R. Fore, widow of James L. Fore, late a policeman in the Capitol, under the Sergeant at Arms, a sum equal to six months' salary at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

The amendment was agreed to.

The resolution as amended was agreed to.

MARY NEAL.

Mr. CALDER, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which committee was referred Senate resolution 403, submitted by Mr. LODGE on the 13th instant, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

*Resolved*, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate to Mary Neal, widow of Thomas Neal, late a laborer in charge of private passage in the Capitol, a sum equal to six months' salary at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

CAROLINE B. GASTON.

Mr. CALDER, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 404, submitted by Mr. LODGE on the 13th instant, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

*Resolved*, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate to Caroline B. Gaston, widow of Alanson D. Gaston, late a messenger in the Capitol, under the Sergeant at Arms, a sum equal to six months' salary at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

#### BILLS AND JOINT RESOLUTIONS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LODGE:

A bill (S. 4697) granting a pension to Mary D. Jenness; to the Committee on Pensions.

By Mr. JONES of Washington:

A bill (S. 4698) granting a pension to Emma B. Rutherford (with accompanying paper); to the Committee on Pensions.

By Mr. JOHNSON of California:

A bill (S. 4699) to place Albert Hamilton on the retired list of the United States Navy; to the Committee on Naval Affairs.

By Mr. SUTHERLAND:

A bill (S. 4700) for the relief of Hiram Metcalf; to the Committee on Military Affairs.

By Mr. McNARY:

A bill (S. 4701) granting a pension to James C. Force; to the Committee on Pensions;

A bill (S. 4702) to provide for the incorporation of certain companies engaged in foreign trade; to the Committee on the Judiciary; and

A bill (S. 4703) to provide for the establishment and maintenance of a forest experiment station in the Pacific Northwest; to the Committee on Agriculture and Forestry.

By Mr. CAPPER:

A bill (S. 4704) granting a pension to James Reynolds (with accompanying papers); to the Committee on Pensions.

By Mr. FLETCHER:

A bill (S. 4705) to repeal certain provisions of an act entitled "An act to provide revenue, and for other purposes," approved February 24, 1919; to the Committee on Finance; and

A bill (S. 4706) granting an increase of pension to Mertina Andrew (with accompanying papers); to the Committee on Pensions.

By Mr. KNOX (for Mr. PENROSE):

A bill (S. 4707) to authorize the provision of accommodations for the United States courts in the Federal building at Sunbury, Pa., and to increase the limit of cost for said building accordingly; to the Committee on Public Buildings and Grounds.

By Mr. JOHNSON of California:

A bill (S. 4708) to provide compensation for seamen injured and the dependents of seamen killed in the course of employment, to create a Federal seamen's insurance fund, and for other purposes; to the Committee on Commerce.

By Mr. STERLING:

A bill (S. 4709) to prohibit the prosecution of claims against the United States by former Government employees; to the Committee on the Judiciary.

By Mr. SMOOT:

A bill (S. 4710) to authorize the Commissioner of the General Land Office to dispose of certain trust funds in his possession; to the Committee on Public Lands.

By Mr. JONES of Washington:

A bill (S. 4711) requiring all ships sailing under a foreign flag and entering the ports of the United States or clearing therefrom to have a permit from the United States Shipping Board; and

A bill (S. 4712) to transfer from the Department of Commerce to the Department of Labor the duty and power to enforce so much of the navigation laws and laws governing the Steamboat-Inspection Service as relate to persons employed in seafaring occupations, and for other purposes; to the Committee on Commerce.

A bill (S. 4713) to amend an act entitled "An act to conserve the gold supply of the United States; to permit the settlement in silver of trade balances adverse to the United States; to provide silver for subsidiary coinage and for commercial use; to assist foreign Governments at war with the enemies of the United States; and for the above purposes to stabilize the price and encourage the production of silver," approved April 23, 1918; to the Committee on Mines and Mining.

By Mr. LENROOT:

A bill (S. 4714) for the relief of Mrs. Benjamin Gauthier; to the Committee on Indian Affairs.

A bill (S. 4715) for the relief of Hannah J. Roberts; to the Committee on Claims.

By Mr. CALDER:

A bill (S. 4716) for the relief of Margaret Nolan; and  
A bill (S. 4717) for the relief of the owner of the boat *Gay-lord*; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 4718) for the relief of Sam E. Harwell (with accompanying papers); to the Committee on Claims.

By Mr. DIAL:

A bill (S. 4719) conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear and determine the claim of the owners of the Danish steamship *Flynderborg* against the United States, and for other purposes.

The PRESIDING OFFICER. The bill will be referred to the Committee on Claims.



Mr. KING. I think the bill should go to the Judiciary Committee.

The PRESIDING OFFICER. In the other House the bill was referred to the Committee on Claims.

Mr. KING. It relates to the jurisdiction of the courts.

The PRESIDING OFFICER. The bill will be referred to the Committee on the Judiciary.

By Mr. KENYON:

A bill (S. 4720) to repeal section 7 of the act of October 7, 1917, entitled "An act making appropriation to supply urgent deficiencies in appropriations for the fiscal year ending June 30, 1918, and for other purposes"; to the Committee on Appropriations.

Mr. CALDER. I introduce a bill amending the Federal reserve act so as to permit the national banks of the country to lend 50 per cent of their savings deposits on real estate mortgages. I ask that the bill be referred to the Committee on Banking and Currency.

The bill (S. 4721) to amend the act approved December 23, 1913, known as the Federal reserve act, and to amend section 5236 of the Revised Statutes, was read twice by its title and referred to the Committee on Banking and Currency.

By Mr. TOWNSEND:

A bill (S. 4722) granting an increase of pension to Caleb B. Gaffney (with accompanying paper); to the Committee on Pensions.

By Mr. WADSWORTH (for Mr. WARREN):

A joint resolution (S. J. Res. 229) authorizing the Secretary of War to investigate the claims of private parties to the Mariaveles Quarry within the limits of a United States military reservation in the Philippine Islands, and to permit the working thereof by the persons entitled thereto, provided military necessities permit; to the Committee on Military Affairs.

By Mr. DIAL:

A joint resolution (S. J. Res. 230) to use alien property funds until same shall be distributed according to law; to the Committee on Finance.

#### CHANGE OF PRESIDENTIAL TERM, ETC.

Mr. ASHURST. I introduce a joint resolution, which I ask may be read at length, and after it is read I should like to take about three minutes to make a brief explanation of it.

The joint resolution (S. J. Res. 228) proposing an amendment to the Constitution of the United States was read the first time by its title and the second time at length, as follows:

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as a part of the Constitution when ratified by the legislatures of the several States as provided by the Constitution:*

"SECTION 1. The terms of the President and Vice President of the United States shall commence on the third Monday in January following the election of presidential and vice presidential electors.

"SEC. 2. The presidential and vice presidential electors, composing the Electoral College, shall assemble in the States by which they are appointed and cast their votes for President and Vice President on the second Monday in December following their appointment, and the vote so cast, duly certified, shall be filed with the President of the Senate before the first Monday in January next thereafter, and the Congress shall meet in joint session on the second Monday in January following and open and count the same: *Provided*, That Congress may alter all the dates fixed in this section, in its discretion.

"SEC. 3. The terms of Senators and Representatives shall commence on the first Monday in January following their election.

"SEC. 4. There shall be held two regular sessions of Congress, convening on the first Monday of January each year.

"SEC. 5. This amendment shall not take effect until after the 4th day of March of the year 1925."

Mr. ASHURST. Mr. President, no other country permits so long a time to elapse between an election and the installation of the new servants as does the United States. In a democratic republic as soon as possible the will of the people as expressed at the polls should be carried into effect.

Under the present system four months elapse before the new Congress and the new President are inaugurated.

My proposed amendment to the Constitution simply provides that the electors chosen in November and composing the Electoral College shall meet in their respective States on the second Monday in December and there cast their votes; that the new Congress elected in the previous November shall meet on the first Monday in January; that the messengers shall bring the returns from the various States to the President of the Senate and file them before the first Monday in January; that on the second Monday in January the new Congress, sitting in joint session, shall canvass the electoral vote and declare the result; and that on the third Monday in January the President and Vice President shall be inaugurated.

In most of the States the governor is inaugurated in January; the new legislature meets in January. Moreover, under the present system a repudiated House of Representatives

would have the power in certain cases to choose a President. This should be changed.

This is not a new subject. I am not entitled to any credit for novelty of ideas respecting the same. I have simply reintroduced a joint resolution which was reported from the Judiciary Committee in 1914. This joint resolution was before the Senate Committee on the Judiciary and was discussed for months. A comprehensive statement favoring the resolution was prepared in February, 1914, signed by the following members of the Committee on the Judiciary: Senators JOHN K. SHIELDS, KNUTE NELSON, now the chairman of the Judiciary Committee, ALBERT B. CUMMINS, W. E. CHILTON, DUNCAN U. FLETCHER, and one HENRY F. ASHURST.

This, therefore, is not a new matter which I have suddenly presented to the country and the Senate. I ask unanimous consent that at this time I may include in the RECORD, as a part of my remarks, the views which those members of the Committee on the Judiciary held on this subject in 1914.

The PRESIDING OFFICER. Without objection, it is so ordered.

The report referred to is as follows:

[Senate Report 212, part 2, Sixty-third Congress, second session.]

The minority recommends that the resolution, omitting formal parts, be amended so as to read as follows:

#### "ARTICLE XVIII.

"SECTION 1. The terms of the President and Vice President of the United States shall commence on the third Monday in January following the election of presidential and vice presidential electors.

"SEC. 2. The presidential and vice presidential electors, composing the Electoral College, shall assemble in the States by which they are appointed and cast their votes for President and Vice President on the second Monday in December following their appointment, and the vote so cast, duly certified, shall be filed with the President of the Senate before the first Monday in January next thereafter, and the Congress shall meet in joint session on the second Monday in January following and open and count the same: *Provided*, That Congress may alter all the dates fixed in this section in its discretion.

"SEC. 3. The terms of Senators and Representatives shall commence on the first Monday in January following their election.

"SEC. 4. There shall be held two regular sessions of Congress, convening on the first Monday of January each year.

"SEC. 5. The terms of said officers who may be in office at the time of the adoption of this amendment are hereby changed to conform herewith."

The amendments of the resolution recommended are the substitution in the first section of the "third" Monday instead of the "second" Monday in January for the commencement of the terms of the President and Vice President; the substitution of the "second" Monday for the "first" Monday in December for the meeting of electors for President and Vice President; and provisions that the vote shall be filed with the President of the Senate before the first Monday in January, and that Congress shall meet on the second Monday thereafter and open and count the vote, and authorizing Congress to change these dates; and the addition of section 4, providing for a change in the terms of the President and Vice President and Senators and Representatives in office when the constitutional amendment is adopted and becomes effective, so that they will expire with the commencement of the terms of their successors, under the proposed amendment to the Constitution.

The Constitution, Article II, section 1, ordains that the President and Vice President shall hold office for the term of four years, but does not provide when the terms shall commence. The only recognition of the 4th of March succeeding the day of a presidential election as the day of the commencement of the terms of the President and Vice President is the provision in the twelfth amendment to the Constitution, effective September 25, 1804, that "if the House of Representatives shall not choose a President whenever the right of choice shall devolve upon them, before the 4th day of March next following, then the Vice President shall act as President, as in the case of the death or other constitutional disability of the President."

This would probably be construed to be a provision that the term of the President expired on the 4th of March after a presidential election—that a vacancy then exists—in which event the then Vice President succeeded to the office.

The time when the presidential electors should be elected, and the date on which they shall meet and give their vote is, by Article II, section 1, of the Constitution, left to the discretion of Congress, with the restriction that the day of voting shall be the same throughout the United States. An act was passed February 3, 1887, requiring them to meet and give their vote on the second Monday in January next after their appointment, in such place in each State as the legislature thereof shall direct; which vote, duly certified, to be delivered to the President of the Senate before the first Wednesday in February, and be canvassed by Congress, in joint session, on the second Wednesday in February thereafter.

The Constitution, while providing that Representatives shall hold their offices for two years (Art. I, sec. 2) and Senators for six years (Art. I, sec. 3), does not provide when the terms shall commence.

The commencement of the terms of the first President and Vice President, and of the Senators and Representatives composing the first Congress, was fixed by a resolution of Congress adopted September 13, 1788, providing "that the first Wednesday in March next (which happened to be the 4th day of March) be the time for commencing proceedings under the Constitution."

Congress has provided (act of Mar. 1, 1792, Rev. Stat., sec. 152) that the terms of the President and Vice President shall commence on the 4th day of March next succeeding the day on which the votes of the electors have been given, but there seems to be no statute enacted since the adoption of the Constitution fixing the commencement of the terms of Senators and Representatives.

The Constitution is proposed to be amended by the resolution as follows:

1. The terms of the President and Vice President, by the first section, are made to commence on the third Monday in January instead of the 4th day of March succeeding the election of electors.

2. The electors are required, by the second section, to meet and cast their vote on the second Monday in December succeeding their appointment; the vote to be filed with the President of the Senate before the first Monday in January thereafter, and the Congress to meet, in joint session, to open and count the same on the second Monday in January succeeding. The Congress, however, is authorized to change these dates.

The provisions of this section are entirely new, the present Constitution having left these matters entirely to the discretion of Congress, and are for the purpose of preventing confusion in putting the first section into effect.

3. The terms of Senators and Representatives are, by the third section, made to commence on the first Monday in January following their election.

This provision is new, and although there is no provision in the present Constitution fixing when the terms of Senators and Representatives shall commence, yet those providing that their terms shall be six and two years entitle those now in office and hereafter to be elected, to hold for two years after the 4th of March succeeding their election, the day when the first Senators and Representatives were qualified under the Constitution, and their terms can not be changed without a constitutional provision.

4. The fourth section merely changes the second paragraph of section 4 of Article I of the Constitution, in effect, so as to provide that Congress shall meet each year, commencing on the first Monday of January instead of the first Monday in December.

5. The provisions of section 5 are temporary, and for the purpose merely of putting into effect the material provisions by shortening the terms of the President and Vice President, and Senators and Representatives, to the extent of the periods between the dates fixed by the resolution for the commencement of the terms of these officers hereafter and the 4th of March succeeding said dates.

Under the present law Congress does not convene in regular session until 13 months after the election of its Members. There was some reason for such a provision at the time of the formation of our Government, as it then took a long time to ascertain the results of elections, and to reach the Capitol from remote parts of the country. But there is no excuse whatever now, since the most distant States of the Union are within a few days' travel of Washington City.

Senators heretofore have been elected by the legislatures of the States in January, and sometimes not until February or March. But since the adoption of the seventeenth amendment to the Constitution, by which Senators are to be elected by the people, probably at the November election, it becomes very opportune for Congress to convene in January following. The convening of Congress on the first Monday of December, as at present, is very inopportune, as adjournment for the Christmas holidays is always taken and many Members go to their homes, returning late, which precludes any real work until January.

The reasons for the adoption of the proposed amendment are these:

First, Congress should at the earliest practicable time enact the principles of the majority of the people, as expressed in the election of each Congress. That is why the Constitution requires the election of a new Congress every two years. If it is not to reflect the sentiment of the people these frequent elections have no meaning or purpose. Any evasion of this is subversive of the fundamental principle of our Government, that the majority shall rule. No other nation in the world has its legislative body convene so long after the expression of the people upon governmental questions.

During the campaign preceding a congressional election the great questions that divide the political parties are thoroughly discussed for the purpose of determining the policy of the Government and of having the sentiments of the majority crystallized into legislation. It seems trifling with the rights of the people when their mandates can not be obeyed within a reasonable time. It is unfair to an administration that the legislation which it thinks so essential to the prosperity of the country should be so long deferred. It is true an extraordinary session may be called early, but such sessions are limited generally to one or two subjects, which of necessity make enormous waste of the time of each House, waiting for the other to consider and pass the measures.

Second, As the law is at the present time, the second regular session does not convene until after the election of the succeeding Congress. As an election often changes the political complexion of a Congress, under the present law many times we have the injustice of a Congress that has been disapproved by the people enacting laws for the people opposed to their last expression. Such a condition does violence to the rights of the majority. A Member of the House of Representatives can barely get started in his work until the time arrives for the nominating convention of his district. He has accomplished nothing, and hence has made no record upon which to go before his party or his people. This is an injustice both to the Members and to the people. The record of a Representative should be completed before he asks an endorsement of his course.

Third, Under the present system a contest over a seat in the House of Representatives is seldom ever decided until more than half the term, and in many instances until a period of 22 months of the term, has expired. For all that time the occupant of the seat draws the salary, and when his opponent is seated he also draws the salary for the full term; thus the Government pays for the representation from that district twice. But that is not the worst feature of the situation; during all of that time the district is being misrepresented, at least politically, in Congress.

By Congress meeting the first Monday in January succeeding the elections, contested-election cases can be disposed of at least during the first six months of the Congress.

Fourth, The President and Vice President should enter upon the performance of their duties as soon as the new Congress can count the electoral votes. The newly elected governors of our States are inducted into office as soon as the new legislatures of the States canvass the votes and declare their election. It is the old Congress which now counts the electoral votes. It is dangerous to permit the defeated party to retain control of the machinery by which such important officers are declared elected.

In the event that no candidate for President receives a majority of the electoral votes, the Constitution provides that the House of Representatives shall elect the President, the representation from each State having one vote. At the present time it is the old Congress that elects the President under such contingency, and thereby it becomes possible for a political party repudiated by the people to elect a President who was defeated at the election. Under the present provision of the Constitution, in the event the House fails to choose a President before the 4th of March, then the Vice President then in

office becomes President for four years. This affords a great temptation, by mere delay, to defeat the will of the people, and if it is ever exercised it will likely produce a revolution.

It is true that January weather would likely be inclement for an inaugural parade, but that is a reason too insignificant to constitute an argument against a constitutional amendment which promises so much for good government. Nearly all the governors of the States are inaugurated in January. The pomp and ceremony which usually attend the coronation of monarchs are at least not necessary to a republic.

For these reasons we favor the adoption of the resolution, amended as herein suggested.

JNO. K. SHIELDS.  
HENRY F. ASHURST.  
KNUTE NELSON.  
ALBERT B. CUMMINS.  
W. E. CHILTON.  
DUNCAN U. FLETCHER.

The PRESIDING OFFICER. The joint resolution will be referred to the Committee on the Judiciary.

#### EXCLUSION OF ALIENS.

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (H. R. 14461) to provide for the protection of the citizens of the United States by the temporary suspension of immigration, and for other purposes, which was referred to the Committee on Immigration and ordered to be printed.

#### COLUMBIA POLYTECHNIC INSTITUTE FOR THE BLIND.

Mr. SHEPPARD submitted an amendment proposing to appropriate \$2,000 to aid the Columbia Polytechnic Institute for the Blind, at 1808 H Street NW., Washington, D. C., intended to be proposed by him to the bill (H. R. 15130) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1922, and for other purposes, which was referred to the Committee on Appropriations.

#### EMERGENCY SUGAR TARIFF.

Mr. GAY. Mr. President, I submit an amendment intended to be proposed by me to the so-called emergency tariff bill, which I ask may be referred to the Committee on Finance. I also ask that the proposed amendment may be printed in the RECORD.

There being no objection, the amendment intended to be proposed by Mr. GAY to the bill (H. R. 15275) imposing temporary duties upon certain agricultural products to meet present emergencies, to provide revenue, and for other purposes, was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

On page 4, after line 3, insert the following paragraph:

"18. Sugars, tank bottoms, sirups of cane juice, melada, concentrated melada, concrete and concentrated molasses, testing by the polariscope not above 75°, 2.13 cents per pound, and for every additional degree shown by the polariscope test seventy-eight one-thousandths of 1 cent per pound additional, and fractions of a degree in proportion; molasses, testing not above 40°, 45 per cent ad valorem; testing above 40° and not above 56°, 63 cents per gallon; testing above 56°, 131 cents per gallon. Sugar draining and sugar sweeping shall be subject to duty as molasses or sugar, as the case may be, according to polariscopic test.

"That the duties in this paragraph herein imposed are in addition to the rates of duty imposed on such sugars by existing laws, and shall in no manner affect or impair such existing laws.

"Provided, That if the imposition of the duties herein shall have the effect of increasing the price in the ports of the United States of duty paid 96° centrifugal sugar produced in and imported from Cuba beyond 8 cents per pound or shall increase the price in the ports of the United States of similar sugars paying full duty beyond 8.76 cents per pound, or shall increase the price in the ports of the United States of sugars that have gone through a process of refining or sugars fit for direct human consumption beyond 10 cents per pound, then the emergency duty herein named shall be automatically decreased, so as to prevent the prices of such sugars advancing beyond the respective prices herein named."

In section 2, page 4, line 5, insert a comma after figure "15," strike out "and," and insert after figure "17" "and 18."

Mr. GAY. Mr. President, the emergency tariff bill which is now before the Senate is designed to relieve the distressing situation existing in all the agricultural sections of the country.

The chairman of the Committee on Ways and Means, Mr. FORDNEY, admits that the bill, which was reported out of his committee and passed by the House, was hastily drawn, and has stated that later a more scientific tariff bill will be presented for the consideration of Congress.

Mr. President, I favor relieving the distress which the producers of other commodities are now suffering by including their commodities in the proposed emergency tariff legislation. I can not believe that any fair-minded Member of Congress can refuse to assist those engaged in the agricultural activities where it is shown that they are now in dire distress through no fault of their own.

The sugar producers of Louisiana, like the wool growers of the West and the wheat farmers, are in many instances being obliged to sell their product at a price far below the cost of production.



Sugar being one of the most important food products, the sugar planters of Louisiana, encouraged by the belief that the Government wished to foster such an industry, planted the usual acreage in sugar cane. They paid high wages to their employees and high prices for every commodity which they had to use, so that when the harvest season came the crop produced was the most expensive ever known. Under these conditions, and with the rapid decline in sugar prices within the last six weeks or two months, the sugar planters find themselves facing bankruptcy, and it is doubtful if even the remedy proposed in my amendment can save many of them.

We of Louisiana have never wanted to see sugar soar to prices which it attained during the past summer. The Louisiana producer has not been the beneficiary. He has adhered to the prices established by the Government; and I know of no case of profiteering among the sugar producers of the State.

Unfortunately, the speculator and the middleman got control of large quantities of sugar, both domestic and foreign, and boosted the prices beyond the dreams of the most greedy, and thus brought unjust criticism on the sugar producer of Louisiana and made enemies for the industry everywhere. It is unfortunate that such profiteers could not have been successfully prosecuted.

If the woolgrower, if the wheat farmer, if any other producer in America is entitled to consideration by Congress, then surely the sugar planters of Louisiana are entitled to the same consideration, and in this emergency should receive the same treatment from Congress, regardless of the fact that sugar has been used as a political football. I can not believe that fair-minded men will discriminate against it.

The amendment intended to be proposed by me provides that the price of 96 test sugar or raw sugar which comes into this country shall at no time exceed 8 cents. By providing a sliding scale for the tariff this price can be maintained for the period covered by the bill, and will at least have the effect of permitting the sugar producers to continue in business for another year, which without this legislation it is doubtful if many will be able to do.

#### SALE OR LEASE OF TERMINAL FACILITIES.

Mr. JONES of Washington submitted the following resolution (S. Res. 409), which was read, considered by unanimous consent, and agreed to:

*Resolved*, That the Secretary of War be, and he is hereby, directed to inform the Senate what steps, if any, are being taken or have been taken to lease or sell any of the docks, piers, warehouses, or other terminal facilities constructed or acquired by the Government of the United States for the use of and used by the War Department during the war; and if any such facilities have been leased or it is proposed to lease or sell the same, advise the Senate the terms or proposed terms of such leases or sales and the law authorizing such action.

#### CREDITS TO GOVERNMENT OF POLAND.

Mr. SMOOT submitted the following resolution (S. Res. 410), which was read, considered by unanimous consent, and agreed to:

*Resolved*, That the Secretary of War be, and he is hereby, requested to inform the Senate as to the character, extent, and amounts of credits which have been granted by the War Department to the Government of Poland, the character of securities and interest received thereon in exchange for such credits, and whether commissions, if any, have been received by any American citizens for services in connection with the granting of such credits.

#### WATER SUPPLY OF SUNNYSIDE, UTAH.

The PRESIDING OFFICER laid before the Senate the amendment of the House to the bill (S. 46) for the protection of the water supply of the town of Sunnyside, Utah, which was, on page 2, line 16, after the word "purposes," to insert " : *Provided*, That deposits of coal or other minerals in the lands reserved by this act may be leased or otherwise disposed of by the Secretary of the Interior under laws applicable to such deposits, if and when he shall find that same may be mined and removed without injury to the municipal water supply of Sunnyside, Utah."

Mr. KING. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

#### FORT ASSINIBOINE MILITARY RESERVATION.

The PRESIDING OFFICER laid before the Senate the amendment of the House to the bill (S. 2964) providing additional time for the payment of purchase money under homestead entries of lands within the former Fort Assiniboine Military Reservation in Montana, which was, on page 2, line 11, after the word "thereafter," to insert "in the discretion of the Secretary of the Interior."

Mr. MYERS. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

#### AMENDMENT OF SUNDRY CIVIL ACT OF 1902.

The PRESIDING OFFICER laid before the Senate the amendments of the House to the bill (S. 2188) to amend section 3 of an act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1902, and for other purposes," approved March 3, 1901 (31 Stat. L., p. 1133), which were, on page 2, line 8, after the word "period," to insert "not exceeding three years," and on page 2, line 16, after the word "lands," to insert "not irrigated and reclaimed."

Mr. SMOOT. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

#### STATISTICS OF IMPORTS AND DUTIES.

The concurrent resolution, H. Con. Res. 68, was read and referred to the Committee on Printing, as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That statistics of imports and duties from 1908 to 1918, inclusive, prepared for the use of the Committee on Ways and Means, be printed as a House document, and that 4,250 additional copies be printed, of which 2,500 shall be for the use of the House, 1,000 for the Senate, 500 for the Committee on Ways and Means of the House, and 250 for the Committee on Finance of the Senate.

#### SUMMARY OF TARIFF INFORMATION.

The concurrent resolution, H. Con. Res. 69, was read and referred to the Committee on Printing, as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That the summary of tariff information, 1920, prepared for the use of the Ways and Means Committee, be printed as a House document, and that 7,500 additional copies be printed, of which 4,000 shall be for the use of the House, 2,000 for the Senate, 1,000 for the Committee on Ways and Means of the House, and 500 for the Committee on Finance of the Senate.

#### EMERGENCY TARIFF.

The PRESIDING OFFICER. The Chair lays before the Senate a bill from the House of Representatives.

The bill (H. R. 15275) imposing temporary duties upon certain agricultural products to meet present emergencies, to provide revenue, and for other purposes, was read the first time by its title.

Mr. HARRISON. I object to the second reading of the bill.

The PRESIDING OFFICER. The bill having been read the first time, it will remain on the table.

#### HOUSE BILLS AND JOINT RESOLUTION REFERRED.

H. R. 12045. An act to provide for the conveyance of lots on the low grounds of Washington, D. C.; to the Committee on the District of Columbia.

H. R. 12161. An act to amend an act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909 (35 Stat. L., 1134); to the Committee on the Judiciary.

H. R. 10920. An act declaring Platte River to be a nonnavigable stream; to the Committee on Commerce.

H. R. 14122. An act to authorize the sale of a portion of the Copper Harbor Range Lighthouse Reservation, Mich., to Houghton and Keweenaw Counties, Mich.; to the Committee on Commerce.

H. J. Res. 346. Joint resolution extending the time for payment of purchase money on homestead entries in the former Standing Rock Indian Reservation, in the States of North and South Dakota; to the Committee on Public Lands.

The bill (H. R. 9389) to consolidate, codify, revise, and reenact the general and permanent laws of the United States in force March 4, 1919, was read twice by its title.

The PRESIDING OFFICER. The bill will be referred to the Committee on the Revision of the Laws without printing.

#### THE DEPARTMENT OF AGRICULTURE.

Mr. KING. Mr. President, several days ago I called attention to the fact that Senate resolution No. 327, asking for certain information from the Secretary of Agriculture, had just been responded to, and there was an implied criticism in my observation of the tardiness of the Secretary in responding to the resolution. Upon examination I discover that the Secretary quite promptly responded to the resolution, but I was not advised of that fact until the day that I called attention to the resolution and asked that the reply be referred to the Committee on Appropriations. In justice to the Agricultural Department I desire to submit that explanation.

The PRESIDING OFFICER (at 1 o'clock and 30 minutes p. m.). The morning business is closed.

#### BONUS FOR EX-SOLDIERS IN WORLD WAR.

Mr. GRONNA. Mr. President, a few moments ago I made an attempt to have printed in the RECORD one brief resolution adopted by some of the heroes who participated in the late war. The senior Senator from Utah [Mr. SMOOT] saw fit to

object. I asked to have that resolution printed in the RECORD and then to have a number of others noted in the RECORD.

Mr. President, I shall take only a minute or two to read one of these resolutions, although I have a great number of them; but I want to say that I think some of the Members of this body become unduly alarmed over the expense to the Government of printing important communications. I know of no more important legislation than the legislation suggested by these soldiers. Are we to take the position now, Mr. President, since they were so victorious on the battle fields of France and Flanders, that we shall deny them the right even to be heard in the legislative halls of our country?

Mr. President, it seems to me that the least thing we can do to honor those heroes is to permit them to speak, and to speak through their representatives, if they so desire.

Mr. President, these boys stood ready at a moment's call to sacrifice their all upon the field of battle. They asked no questions at the time war was declared. They asked for no conditions whatever, but they stood ready to serve, and they served faithfully and well. Thousands of them have not returned, and other thousands who have returned came back maimed and crippled; and I hope those who were fortunate enough not to be injured will have the right to speak even to the Members of this great body.

Mr. President, I have received, and I present now in regular order to this distinguished body, resolutions from the American Legion posts at Crosby, Cando, Hope, Tuttle, Carrington, Grand Forks, Washburn, Hatton, Bismarck, Lisbon, Loma, Edgeley, Litchville, Fullerton, Portland, Fargo, Jamestown, Bowman, Donnybrook, Pembina, Oakes, Alexander, and Devils Lake, N. Dak. As I attempted to say a moment ago, they are very much alike in form, and I shall read only one of them. It is addressed to me, and is dated Devils Lake, N. Dak., November 17, 1920:

DEAR SIR: The following resolution was passed unanimously by the Tim Running Post, No. 24, of the American Legion, at Devils Lake, N. Dak., at the regular meeting of November 15, 1920:

"Whereas the American Legion, through the national convention, national officers, various departments, and local posts, have during the past year passed resolutions approving of the various plans for a soldier bonus; and

"Whereas the national legislative committee of the American Legion have worked out and submitted to and approved of by practically the entire membership of the American Legion a form of bonus known as the American Legion fourfold optional plan of a Federal bonus; and

"Whereas this fourfold plan has already passed the House of Representatives in Congress: Now, therefore, be it

*Resolved*, That Tim Running Post, No. 24, petition the Senators of North Dakota to support the early passage through the United States Senate of this measure."

EVERETT A. DUELL,  
Post Commander.  
F. P. MANN, JR.,  
Post Adjutant.

I ask, Mr. President, that the names of the officers in each one of these petitions be noted in the RECORD.

The PRESIDING OFFICER (Mr. WATSON in the chair). Without objection, it is so ordered.

Mr. GRONNA. The American Legion posts from all these cities and towns have unanimously adopted resolutions indorsing this measure.

I am also in receipt of a telegram from the American Legion post at Minot indorsing the Fordney bill providing for adjusted compensation to soldiers. I ask that that may be printed in the RECORD. It is a very brief telegram.

The PRESIDING OFFICER. Without objection, it is so ordered.

The telegram is as follows:

Senator A. J. GRONNA,  
Senate Chamber, Washington, D. C.:  
MINOT, N. DAK., December 17.

Five hundred members William Carroll Post, Minot, American Legion, unanimously indorse Fordney bill for adjusted compensation, and earnestly and respectfully ask your support for passage of this measure during the present session of Congress.

ARCHIE D. MCCANNEL,  
Post Commander.

Mr. GRONNA. Mr. President, we should immediately consider the requests of these brave heroes. They were called to arms at a moment's notice. They did not hesitate, but they went and performed their duties in a most creditable manner; thousands of them left good positions and others left their business to suffer. It is now for us to decide what shall be done with the requests of these World War heroes. Shall we turn a deaf ear to their requests or shall we proceed to consider the question in the same spirit that they performed their work?

So far as I am personally concerned my vote shall be cast, if I have the opportunity, for the enactment of legislation such as is outlined in these resolutions. It is the least we can do to recognize the patriotic services of these young men; and if perchance there happens to be some one not in need of any

financial aid, it is not compulsory upon him to receive it. But there are thousands and hundreds of thousands of the young men who do need it, and for that reason I favor the legislation suggested in these resolutions.

Mr. President, I realize that there is opposition to this legislation. Let us consider where the opposition comes from.

I have here a printed pamphlet under the heading of the chamber of commerce of the great city of New York:

At a special meeting of the Chamber of Commerce of the city of New York, held April 21, 1920, the following preamble and resolutions, presented by its committee on a national budget, was unanimously adopted.

If there is no objection, Mr. President, in order to save time, I ask that these resolutions may be printed as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolutions are as follows:

#### CHAMBER OF COMMERCE OF THE STATE OF NEW YORK.

At a special meeting of the Chamber of Commerce of the State of New York held April 21, 1920, the following preamble and resolutions, presented by its committee on a national budget, was unanimously adopted:

#### BONUSES FOR SOLDIERS AND SAILORS.

"To the Chamber of Commerce:

"Whereas the grand total for Government expenditures this year, including the amount to be paid to the railroads, the amount of special appropriation bills of this session of Congress, and the amount to provide for deficiencies, was originally estimated at \$6,000,000,000; it is now estimated that these appropriations will be reduced by about \$1,500,000,000, leaving a total of \$4,500,000,000 to be derived from taxation; in addition to these appropriations the Government's present floating debt is about \$3,000,000,000; and

"Whereas it is estimated that the proposed legislation for the proposed blanket bonuses for veterans of the World's War will require about \$2,000,000,000, which brings the total amount to be derived from the taxation for the year 1921 up to \$6,500,000,000; and

"Whereas the estimated Federal revenue for 1920-21 being only about \$4,600,000,000, the revenue necessary to pay the proposed blanket bonuses must be obtained by one of the following methods:

- "(a) A retroactive excise tax on war profits;
- "(b) A revival of the rates levied for the year 1918;
- "(c) A heavy tax on luxuries;
- "(d) A general sales tax;
- "(e) Another bond issue; and

"Whereas any one of these methods of raising additional revenue would mean an increase in the tax burden upon the business of the country, a burden that is already stifling enterprise, which, in whatever form it may take, will add to and protract the present inflation; and

"Whereas the origin of a proposal for blanket bonuses for ex-soldiers seems to have been largely political and inconsistent with the avowed principles of the American Legion, and is contrary to the spirit of patriotism which animated the American Expeditionary Force, the proposal is neither just nor expedient. There exists no convincing evidence that the veterans of the World War are willing to become beneficiaries of a public expenditure which will inevitably bring serious economic consequences and will endanger the public welfare; and

"Whereas the country recognizes its duty—that full provision should be made for the rehabilitation of the disabled men and that there should be a generous provision for the dependents of those who died in the service: Therefore be it

*Resolved*, That the Chamber of Commerce of the State of New York approves of generous provision for veterans of the World War who were disabled and for the dependents of those who died in the service, but that on economic and ethical grounds it is opposed to the proposal for a blanket bonus for all veterans, regardless of the actual needs of the individual due to his service; and be it further

*Resolved*, That the Chamber of Commerce of the State of New York regards with grave concern the apparent breakdown of the Federal Board of Vocational Education and the Bureau of War Risk Insurance, the two instrumentalities created by Congress for the protection of the disabled soldiers and sailors of the United States and the dependents of those who died in the service, and invites the attention of Congress to this serious situation.

"Respectfully submitted.

"CHARLES D. FREEMAN, Chairman.  
"LEONOR F. LOREE,  
"JOHN T. PRATT,  
"HOWARD C. SMITH.

"Of the Special Committee on a National Budget."

ALFRED E. MARLING,  
President.

Attest:

CHARLES T. GWYNNE,  
Secretary.

NEW YORK, April 22, 1920.

Mr. GRONNA presented a resolution of the Tim Running Post, No. 24, American Legion, of Devils Lake, N. Dak., signed by Everett A. Duell, post commander, and F. P. Mann, Jr., post adjutant; a resolution of the Ernest De Nault Robertson Post, No. 14, American Legion, of Jamestown, N. Dak., signed by F. L. Robertson, post adjutant; a resolution of William Perry Makee Post, No. 75, American Legion, of Crosby, N. Dak., signed by W. E. Wadnans, post commander, and Earl O. Carlson, post adjutant; a resolution of the Hal Parker Post, American Legion, of Cando, N. Dak., signed by Vine D. Lord, post commander, and James S. Wiggins, post adjutant; a resolution of Forest E. Williams Post, No. 94, American Legion, of Alexander, N. Dak., signed by L. B. Randolph, post commander, and B. M. Smith, post adjutant; a resolution of the Howard Bean Post, American Legion, of Oakes, N. Dak., signed by



Earl Bellinger, post commander, and E. F. Bassingwaite, post adjutant; a resolution of the Pembina Post, American Legion, of Pembina, N. Dak., signed by Harry H. Miller, post commander, and George D. Peterson, post adjutant; a resolution of the Clarence McCormack Post, No. 195, American Legion, of Donnybrook, N. Dak., signed by George N. Constans, post commander, and F. J. Robinson, post adjutant; a resolution of the Earle V. Jefferson Post, No. 18, American Legion, of Hope, N. Dak., signed by J. A. Cyrus, post commander, and H. R. Cockle, post adjutant; a resolution of the Gilbert C. Grafton Post, No. 2, American Legion, of Fargo, N. Dak., signed by William T. Kroll, post adjutant; a resolution of the Charles M. Root Post, No. 93, American Legion, of Portland, N. Dak., signed by J. A. Grinde, post commander, and Elmer I. Knutson, post adjutant; a resolution of the M. J. McElvain Post, No. 152, American Legion, of Fullerton, N. Dak., signed by John R. Ulmer, post commander, and Theodore Ulmer, post adjutant; a resolution of the Martin Jacobson Post, American Legion, of Litchville, N. Dak., signed by Carl A. Platou, post commander, and T. J. Kinneberg, post adjutant; a resolution of the Henry Parthie Post, No. 146, American Legion, of Edgeley, N. Dak., signed by Otis Washburn, post commander, and Carl H. Huckleby, post adjutant; a resolution of the Southwest Cavalier County Post, American Legion, of Loma, N. Dak., signed by Oscar Lufgren, post commander, and C. H. Ginley, post adjutant; a resolution of the Florence Kimball Post, No. 7, American Legion, of Lisbon, N. Dak., signed by W. G. Curtis, post commander, and Fred Hanna, post adjutant; a resolution of the Lloyd Spetz Post, No. 1, American Legion, of Bismarck, N. Dak., signed by W. C. Paulson, post commander, and P. G. Harrington, post adjutant; a resolution of the Carrol O. Flesche Post, No. 70, American Legion, of Hatton, N. Dak., signed by M. S. Haakenson, post commander, and D. L. Wambheim, post adjutant; a resolution of the Victor B. Wallin Post, No. 12, American Legion, of Washburn, N. Dak., signed by H. E. Wahl, post commander, and A. H. Nygaard, post adjutant; a resolution of Grand Forks Post, No. 6, American Legion, of Grand Forks, N. Dak., signed by L. L. Eckman, post commander, and Philip R. Bangs, post adjutant; a resolution of the Louis Instead Post, American Legion, of Tuttle, N. Dak., signed by L. T. Buck, post commander, and Ernest W. Atwood, post adjutant; and a resolution of the John Raymond O'Hara Post, American Legion, of Carrington, N. Dak., signed by J. R. MacKenzie, post commander, and H. O. Hagen, post adjutant, praying for the passage of H. R. 14157, known as the American Legion fivefold optional plan of compensation for ex-service men, which were referred to the Committee on Military Affairs.

He also presented a resolution of the Frank Gordhamer Post of the American Legion, of Bowman, N. Dak., signed by Leo D. Bartelme, post commander, D. G. Hogaboom, vice post commander, M. S. Byrne, post adjutant, C. A. Sampson, post finance officer, M. B. Goldstein, post historian, Carl Lee, post chaplain, and Frank C. James, post master at arms, praying for the passage of legislation giving to all ex-service men and women options to choose the form of compensation most suitable to their needs, which was referred to the Committee on Military Affairs.

#### BUILDING CONDITIONS AND COAL SITUATION.

Mr. CALDER. Mr. President, on Tuesday of last week I filed with the Senate a report of a special committee appointed in April of this year to inquire into the housing shortage of the country and into matters of transportation, thrift, and finance as they pertain to housing. This report was made after a survey of the country, the committee visiting many of the important cities, except those on the Pacific coast.

I offered the resolution which authorized the appointment of this committee because of the fact that the Federal Government itself is especially responsible for the housing shortage. It seemed to me that it was fitting that we should have accurate information before a serious attempt was made to legislate on the subject.

Senators may recall that, in a discussion with the late Senator Gallinger, of New Hampshire, late in 1917, when a bill was pending in the Senate appropriating a hundred million dollars for Government housing in important industrial centers where there was a lack of living accommodations for men and women employed in Government service, I insisted that the attitude of the Treasury Department and the Federal Reserve Board in discouraging construction would in the end bring about a shortage of housing which it would take years to overcome. I protested that the building of homes was, next to the production of food, the most essential of all the country's enterprises, and that it would be much better to stop less essential work and permit the housing business to continue wherever labor, capital, and ma-

terial could be obtained without interference with the business of carrying on the war. As I recall it, no other Member of this body offered protest. We were so absorbed in the war that we overlooked many other essential matters.

When the war was over there was almost at once a disposition to again begin active construction work, but we were unable to proceed because of the fact that the whole building industry had been disrupted; we found that transportation was inadequate and material directed to other channels; and that labor, through war conditions, had changed the whole system of business, while the wages of labor in the building trade had doubled and its efficiency materially decreased. Our transportation facilities were disorganized by Government operation and mismanagement. Railroad service for construction materials had failed, although recently it has been somewhat improved.

To-day we have freight rates on building materials more than double what they were before the war, and with all probability that the high rates will remain in effect. Our lowest coal prices to-day are two and one-half times what they were in prewar times, and in some cases from six to ten times the prewar price. The Government has fixed the wages of men employed by the railroads and in the mines. We can not hope for any material reduction in transportation or fuel unless there is some reduction in wages. It is true that the railroads are being operated now much more efficiently than a few months ago, but if these high wage rates continue, we can not expect any noticeable reductions in transportation rates.

We are facing an entirely new business situation. Wages are higher; other costs are higher. And while there ought to be a substantial reduction in the prices of every commodity, building construction prices will never come back to where they were before, so we must face the situation with that in mind.

The present tax laws are a large element in contributing to the situation. In the cities the increased cost of necessary local improvements has doubled the taxes. The need for additional revenue has caused the enactment by the several States of income-tax laws. The cost of the war, the need for revenue to pay interest and for the amortization of our debt, and the increased cost of government will keep taxes out of proportion to the prewar rate for a good many years. The Secretary of the Treasury, in his recent annual statement, estimated the yearly cost of running the Government at four billion, and stated that in his judgment it would be impossible for a number of years to decrease this amount.

High taxes have been particularly burdensome on the building industry. In fact, some individuals of large incomes who formerly loaned a large part of their capital on real estate mortgages claim that these mortgages, after paying taxes, net less than 2 per cent income, and that other investments can be found which will give 5 and 6 per cent; this, naturally, results in a shortage of money for housing development.

There is no doubt that there exists a serious shortage of houses, not only in the great cities, but in the smaller towns as well, and in fact even in the villages, and this applies to every part of the country. Wherever the committee has held hearings, people have traveled hundreds of miles to testify as to unfavorable building conditions in their respective communities. They have complained of money shortage; they have complained of building material costs and lack of transportation for building materials. Some sober, level-headed business men have urged that the committee refrain from making any recommendations to relieve the situation, insisting that the law of supply and demand would take care of the situation. I pointed out to them that there was a demand, even a shortage, and that there is an ample supply of raw materials and labor, but still that there is no active movement in the building of homes. Many of the State legislatures have enacted laws which they felt would furnish some relief. In Massachusetts, for instance, a bill was passed which had the purpose of controlling rentals. In that Commonwealth other measures were enacted giving municipalities the right to bond themselves to the extent of 1 per cent of their assessed real estate, this money to be used by the city for home building. In New York and New Jersey rent laws were passed and laws exempting from taxation, for a period of years, new buildings erected strictly for housing purposes. Other restrictive measures of local character have also been passed. But most of these laws have tended to further increase the housing shortage by discouraging building.

It is interesting to note that we are not the only country which is troubled with this same problem. In France the situation has become so bad that the Government, in response to public demand, has actually offered to builders 50 per cent of the cost of construction if they would only get busy and con-

struct homes for the people. In England the Government is attempting to arrange for the construction of 500,000 working-men's houses. These are all to be built by the Government itself and rented at a price that will hardly pay the interest on the cost of construction, with the result that some day England will face a condition, in attempting to pay its housing bonds, that will, unless extraordinary steps are taken to prevent it, undermine her whole business and social fabric.

The committee's activities have been directed with the idea in mind of extending facilities to private initiative rather than subsidies, and rather than elaborating governmental organization for construction. The total housing construction in this country, during the past four years was less than in the year 1916 alone, or in fact in any other one of the immediate prewar years. The construction of houses is like every other business, based entirely upon the profit in the venture, and men will build houses again when they can see an opportunity for gain. There will be protests against legislation that will tend to encourage men to make profits, but after all unless the producer can make profits the shortage of houses will continue; in fact it will become even more embarrassing than it is to-day.

When the committee began its inquiry into the subject, it was anxious to find some means by which the Federal legislation could help restore building activity without directly involving the Government in construction or subsidy. The Nation has had enough of governmental operation and control of business. The committee has found this sentiment existing everywhere it went, but it has also found a feeling that the Government, having stopped building, must furnish facilities to restore the industry to its normal activity. And so the committee has recommended the establishment of a construction bureau in the Department of Commerce which may be a clearing house for all building activities and a place where information can be obtained concerning building materials, where study can be made of all sorts of new building methods tending to decrease costs, and where uniformity of standard materials may be worked out. In other words, the bureau will be helpful in furnishing information of every character, to stimulate building, reduce its cost, and be a means of encouraging generally the building of homes for all the people of the country. The creation of this bureau has been strongly urged by practical men engaged in the building industry throughout the country, and if initiated under the proper auspices, will, I am sure, prove exceedingly helpful.

In the committee's inquiry into financing building it discovered, among other things, that in the country west of the Allegheny Mountains the banking methods were different from those in the East. In the Eastern States we have a system of mutual savings banks where 50 per cent of the deposits are loaned back to the people for building construction, mostly homes, in the immediate neighborhood where the money is deposited. As an evidence of the extent of the business done in this way, it is interesting to note that in New York State these savings banks have deposits totaling \$2,398,328,940, and have approximately \$1,227,117,575 loaned back on bond and mortgages on real estate. A like condition exists in the New England States and in other Eastern States, but there are none of these mutual banks in the western country. The State and national banks, however, have savings departments where money is deposited at large interest rates, and these deposits are loaned on short-term securities, little or no part being used for financing homes.

Our committee has been informed that there is upward of \$2,000,000,000 of savings deposits in the national banks of the country, and I have introduced a bill to-day which provided that 50 per cent of the savings deposits in these banks may be loaned on mortgages on real estate. In my judgment, this will not in any degree affect the stability of these banks. These deposits may be drawn on demand, but under the statutes 90 days' notice may be required in case of an emergency. In my own judgment, it will do much to safeguard these banks, although the deposits will not be as liquid as they are to-day; in the long run, however, they will be more secure, for there is no investment safer than first mortgages on homes.

The committee's investigations have convinced me that under our present Federal taxation system the issuance by the States of bonds for public improvements have been unduly encouraged. These are issued tax-exempt, and wherever public interest can be secured for an improvement of any character in a State or any of its subdivisions it is easy to get money in this manner. Not only are the funds of the country being drawn from industry in this manner, but vast sums have been wasted through the carrying on of public improvements that could have been deferred until business conditions are stabilized.

Mr. McLEAN. Mr. President, does the Senator object to an interruption?

Mr. CALDER. No, Mr. President.

Mr. McLEAN. Has the Senator any estimate of the total investment in nontaxable securities?

Mr. CALDER. I have a statement here.

Mr. McLEAN. I think it is something more than sixteen billion.

Mr. CALDER. My estimate was that it was a little less than fifteen. Men of large incomes are drawing their money out of active industry and investing it in these tax-exempt securities in order to avoid the payment of taxes. These tax-exempt securities have increased in the last five years from \$3,000,000,000 to over \$14,000,000,000. High taxes and exempt securities have not only led States to bond themselves to such an extent that they will some day find it difficult to meet their obligations, but have also retarded the Nation's business generally. They have resulted in taking from the mortgage field almost completely the private investor. The interest rate on mortgages is fixed by law in nearly every State, and individuals of large means who formerly invested a considerable portion of their wealth in mortgage investments find to-day, because of high taxes, their net profits in many cases not more than one-third of what they received before the income-tax law went into effect. I am informed that the Marshall Field estate in Chicago and the estate of Hetty Green, both of whom formerly loaned heavily on real estate, find their incomes from this source less than 2 per cent, and they are diverting their capital funds to more lucrative investments. The supply of mortgage money is so restricted that to-day the home owner is compelled to rely largely on savings banks and insurance companies in the East and building and loan associations in the West. I have introduced a bill exempting from taxation the income on mortgages when in the hands of individuals, provided that no individual shall own more than \$40,000 worth of exempt mortgages.

Mr. KENYON. Mr. President, I would like to ask the Senator if any of the States have laws similar to that. Do the States exempt in many instances, where the money goes into homes?

Mr. CALDER. I do not know of any State that does, I will say, Mr. President. In New York State we have an income tax, graduated from 1 to 3 per cent, but in that State the income on mortgages is not tax exempt. I will say to the Senator from Iowa that this is not a very large item of the Federal tax except in the case of a lender or of an institution with a very large income, where the income runs into the millions or hundreds of thousands, when the income tax gets up to 50 or 60 or 65 per cent. The fact that two-thirds of the income from the mortgage investment is taken in taxation practically takes the mortgage paper out of the market.

I consider the adoption of this measure very necessary unless our whole revenue system is changed, the excess-profits tax repealed, and the maximum income tax fixed at not to exceed 30 per cent of the income. It is the common belief that these high taxes are taken entirely from the rich, and while on the surface of things that appears to be so, in the end the taxes are passed on to the consumer. I know there is a well-grounded opinion that it would be unwise to further extend our tax-exempt field, but the Government itself is responsible for the present building conditions as well as for the present tax-exempt securities, and it would be much better to provide for a small tax exemption for mortgages and thereby obtain sufficient means to revive the housing industry rather than later in response to public demand adopt a Government construction program of a socialistic nature which would mean the expenditure of several billion dollars from the Public Treasury. When the present revenue laws are revised not only should the high rates be lowered, but I would provide that further issues of State and municipal bonds should at least be subject to normal income-tax rates. This would check the movement of large issues of tax-exempt bonds. This, I am sure, would be welcomed by those who are trying to safeguard the interests of the different communities of the country. However, until the issuance of tax-exempt securities has been effectively checked the real estate mortgages should be made a more attractive investment unless we are prepared to face the consequences of an increasing housing shortage.

In the committee's report we have recommended legislation providing for exemption for the next five years of the profits on the sale of new buildings erected for dwelling purposes, provided these profits are reinvested in new buildings. Legislation of this character was enacted at the last session of Congress in order to encourage the building of ships engaged in the foreign trade. This is very unusual, but in my opinion should be extended to cover housing also, as such legislation is justifiable in the emergency that exists to-day.

The committee has also urged the creation of a home loan banking system in line with our farm loan bank. Under the bill proposed there would be established in each Federal reserve



district banks to be organized with a capital of not less than a hundred thousand dollars, stock to be subscribed by building and loan associations in that district. The purpose of these banks is to permit the discounting of mortgages held by building and loan associations. No Government funds or subsidy are contemplated, because the building and loan associations already have ample assets. The committee believes that legislation of this kind could be so safeguarded as to avoid any possible loss on the part of the Government or of any individual, and that vast sums could be obtained through the sale of bonds to conservative investors. The objection to this bill is based entirely on the fact that it would create more tax-exempt securities. There is some justification for this objection, but these building and loan associations of the country have to-day loaned on bonds and mortgages over \$2,200,000,000, and there are no organizations in the country that have contributed more toward obtaining homes for our people than have these building and loan associations. They are organized under State laws, and in the main conducted by men located in the immediate community where they are operating, and the amount of their losses has been negligible. In fact, I am of the opinion that in the present business depression the securities held by these associations have universally maintained their value and there have been few losses. At least 95 per cent of these organizations are in favor of the legislation I have referred to. The suggestion has come to the committee—and we are disposed to consider it—that perhaps the bonds issued under this act might be made subject to the normal tax. The suggestion has also come to the committee that under this home loan banking system corporations other than building and loan associations might also organize for loaning money to build homes. The committee may determine to recommend this being done.

I have talked to-day about the financing of building. This, in my judgment, is one of the important things in connection with the revival of building activity, but there are other questions involved, and I have already referred to them in some degree. Labor is a big problem. The testimony before our committee indicates, when one considers the cost to the manufacturer of materials which go into houses, that 75 per cent of it is for labor.

There is no question that labor has been inefficient since the war. This is apparent to everyone and not even denied by labor itself. It was brought about by the allocation of many skilled men to war work, and was encouraged by the cost-plus system of contracting, where it made no difference to the employer whether labor did a day's work or not or whether it received more or less. Wages have doubled and efficiency has lessened to such an extent that when averaged up one finds that it cost three or four times as much for the labor to build a house this year as it did in 1916. I think it fair, however, to labor to say that in recent months its efficiency has materially increased. Labor insists that the high wages paid them during the past 15 months shall be maintained, and they have a right to insist upon this unless living costs are reduced. There is evidence that we are approaching a period when living costs will be reduced. When that time comes labor must do its part.

There is another very important matter that the committee discovered in its investigation of the building situation, and that is the lack of apprentices. Labor in the past has sought to check the number of apprentices, contending that if the number was unlimited it would in the end afford less opportunity for journeymen to obtain employment. This situation no longer exists, for in most cities of the country we find little disposition on the part of the young men to learn the building trades. They are to-day more interested in engaging in lines of endeavor where no manual labor is required. There never was greater opportunity for the young men of America to learn trades in which employment is steady and unlimited. This is true in nearly all building trades. I have already called it to the attention of the Senate and I have called it to the attention of the governors of a number of States, so that some steps may be undertaken to establish trade schools, where young men may be encouraged to equip themselves to take advantage of existing opportunities.

The future of the country is involved in this matter of skilled labor. I have been an observer of building activities for years; the country has been depending largely upon men coming here from abroad to furnish the workmen in our building industry. The immigrants from the Scandinavian countries, Germany, and the British Isles have formed a large part of our building tradesmen, but now very few trained workmen are coming from these countries; and with little disposition on the

part of American-born young men to learn the trades, unless there is a revival of interest we will be a country of mediocre workmen in another generation.

I think it fair to say in behalf of the American Federation of Labor that when their representatives have appeared before this committee they have been willing always to cooperate in all matters to encourage building of homes. They have appointed a committee to adjust jurisdictional strikes, and much good has been done in ending labor difficulties through this instrumentality.

The PRESIDING OFFICER. The Senator from New York will kindly suspend while the Chair lays before the Senate the unfinished business, which will be stated.

The READING CLERK. The bill (S. 3390) to provide further for the national defense; to establish a self-sustaining Federal agency for the manufacture, production, and development of the products of atmospheric nitrogen for military, experimental, and other purposes; to provide research laboratories and experimental plants for the development of fixed-nitrogen production; and for other purposes.

Mr. CALDER. Mr. President, we have a situation in the city of New York where a committee of our legislature, presided over by Senator Lockwood, with Samuel Untermyer as counsel, has rendered unusual public service in unearthing building conditions that have shocked the country. They have found combinations between labor and capital, or, I should say, not exactly between labor and capital, but on the part of some labor leaders who, through dealing with some men of the building industry, have been able to obtain for certain labor leaders tremendous sums of money, and have given some members of the building industry unusual advantage in being able to obtain labor to complete their contracts within a given time. Many men have been indicted in New York in connection with this matter. Some have been convicted and others I am sure will be.

Our committee has authority from the Senate to appoint counsel, for the purpose of taking up the subject from a nation-wide standpoint. I feel confident that when we have concluded our inquiry in this line we will have cleaned up the situation to some degree and benefits will come to the building business of the country, and more particularly to the housing industry, and that prices will be lower, at least to some degree, as a result of this very same matter.

I repeat that, in my opinion, private initiative should be encouraged. We have relied upon our American citizenry to solve its problems in the past. There never was a time when the country needed the best-directed efforts as much as it does to-day, and Congress can perform no greater service than that of enacting legislation which will encourage private citizens to settle their own problems, rather than legislation which will make the private citizen dependent upon the Government.

May I call the attention of the Senate to a situation that has caused considerable trouble during the past six months? That is the issuance of priority orders by the Interstate Commerce Commission for the transportation of coal. These were issued with the best of intentions, but did much harm, particularly to the building industry. While the movement of fuel is important, the Interstate Commerce Commission acted, it seemed to the committee, many times without full information. It was most unwise and most damaging to industry to have ex parte orders issued for the movement of coal, without opportunity to men in other lines to present their side of the case to the commission. The committee would direct the attention of the Senate Committee on Interstate Commerce to this matter, with a view to amendment of the transportation act, in order to check the issuance of ill-advised ex parte orders. These priority orders have forced men who had to have various building materials at once to pay two and three times the regular price for them. These priority orders have retarded business and discouraged building immensely during the past year. I believe, however, that transportation facilities have now improved to such an extent that the priority orders will be unnecessary during the coming year.

In discussing the effect of the housing shortage on public health and morals, I wish to refer to a recent conference held by the health commissioners of the country at Detroit, called by Dr. Copeland, health commissioner of the city of New York, at the suggestion of the committee. All cities with a population of 200,000 or over were represented. The report of the conference indicates that in every city of the Nation there is abnormal overcrowding. It was brought out that as a result of the overcrowding infant mortality in the congested centers has increased 50 per cent. There is also a large increase in the number of tuberculosis cases in the cities. This conference of

health commissioners strongly urged that every effort should be made by the States and Federal Government to revive housing activity, and pointed out that if something is not done to bring this about the health of the Nation will be menaced.

The Senate undoubtedly recalls the recent figures of the Census Bureau, which show that for the first time a majority of our people live in cities, while formerly a majority lived in the rural districts. It seems to be the trend of the times for people to gather in the cities, and no act of ours here can change that drift. Since these people are in the cities, they must be sheltered. I wish to urge upon the Senate that greater interest be displayed here in the human welfare, so that something may be done to relieve the deplorable living conditions.

Many Members of the Senate believe these conditions will in the end take care of themselves. France believed likewise until she was compelled to pass housing laws, which mean Government building and paternalism. England thought so until she had to provide for the building of 500,000 homes for her workmen. New York thought so until the people demanded the passing of rent laws. Massachusetts thought so until the legislature found it necessary to enact similar laws. So we hesitate and put off until we may have to take action, which is damaging to the future of our country. Would it not be better to act now than to wait and have the people of America rise up in discontent and demand that the Government itself go into the building business?

I can not take my seat without saying a word on the coal situation. This every Senator knows about. Our railroad difficulties and our labor difficulties have had much to do with our fuel problem. Coal profiteering on the part of the mine operators has encouraged the miners to ask for more pay. When they see the mine operators charging \$15 a ton for their product, it is natural that the miner should demand a part of their profits. Bituminous coal which before the war sold at the mine for \$1.50, is now \$3.50 to \$15, and anthracite, which formerly sold at the mine for \$3.50, has brought recently from \$8 to \$20.

Fuel is a basic necessity. National development depends upon an ever-increasing supply of power. Heat is as necessary for production, in fact, for human existence, as is air or water; its use must be continued from day to day and can not be deferred or interrupted.

Our investigation into the coal situation has convinced me that the private interests now in control of the production and distribution of coal, in spite of efforts by some, are actually unable to prevent a continuance or a repetition of the present deplorable situation, and that it is the duty of the Government to take such reasonable and practical steps as it may to remedy the evil. We must have fuel and shelter, and something must be done to supply the dire necessities to the people. Men have contended that this business, too, will take care of itself, and considerable reference has been made to the operation of the railroads under Government control. It is a recognized fact that the coal business, if properly conducted, could easily supply fuel to the people at a price they could afford to pay. The committee has felt disposed, before it actually urges the establishment of complete Government control, or even the licensing system, to recommend that all coal operators, wholesalers, jobbers, and retailers be compelled by statute to file at regular and frequent periods with some Federal agency reports on the total tonnage produced or handled, the size and quality thereof, the amount of tonnage contracted for, the amount sold on contract and at spot sale, to whom, together with the prices made or received under such contracts or sales.

Mr. FRELINGHUYSEN. Will the Senator suffer an interruption?

Mr. CALDER. Certainly.

Mr. FRELINGHUYSEN. Is the Senator familiar with the bill which was presented by the subcommittee of the Committee on Interstate Commerce to the full committee, which carries out practically all the recommendations in the preliminary report of the committee of which the Senator is the head?

Mr. CALDER. I have not minutely examined the bill to which the Senator refers, but from a hasty examination of it it would seem in large part to agree with my conclusions on the matter.

I wish to compliment the Senator upon his bill. It is a step in the right direction. I wish to say to him, too, that I arrived at my conclusions in the matter without ever having read his bill or having the slightest knowledge that he and I were of the same opinion as to the remedy.

Mr. FRELINGHUYSEN. I hope to have the Senator's support if the bill is reported out by the Committee on Interstate Commerce.

Mr. CALDER. I will say to the Senator from New Jersey again that in the main I agree with his proposition. I would go a little further than the Senator does, and I purpose to confer with him about the whole situation before introducing the bill I have in mind.

Let me say further to the Senator that he is a member of the great Committee on Interstate Commerce, and a very prominent member of the committee. I trust that he will urge his committee at the very earliest date to take up consideration of his bill, and the bill which I shall introduce, upon which I am hopeful his committee will agree.

Mr. McLEAN. Can the Senator from New York give us from his investigation any information with regard to the activities of the Department of Justice or the Federal Trade Commission in trying to enforce the laws against extortion and in the production and sale of coal?

Mr. CALDER. I know there has been some activity on the part of the Department of Justice, but not in my judgment as great as could easily have been. I believe that there is plenty of evidence obtainable that would have warranted the Department of Justice in prosecuting, under the Lever Act, some of the men interested in the coal business in the country. I know some suits have been begun, but I know of none that have terminated successfully. I know also, I will say to the Senator from Connecticut, that the Federal Trade Commission has attempted to obtain from the coal operators of the country detailed information along the line asked for by the senior Senator from New Jersey [Mr. FRELINGHUYSEN] and as recommended by our report; that is, complete information as to costs, selling prices, production, and all similar matters; but when the Federal Trade Commission sought to collect such information the coal operators of the country began suit against the commission, and have been able, so far, to restrain them by order of the court from gathering the information. So I think it is hardly fair to say that the Federal Trade Commission has not made some effort to get information which, if obtained and published to the whole country, would, I am sure, be very helpful.

Mr. President, we are not sure that the remedy proposed will be adequate, but believe it should be tried before the Government goes into business itself. It would afford opportunity for the public to know the exact cost of production, the price coal was sold for, and to whom. It would also afford opportunity for coal to be traced to its final destination and in all probability would bring the relief desired. The committee makes this recommendation now and is to inquire further into the situation.

During the past few days revelations have been made as to the actual cost of the production of bituminous coal—we have that information in our possession, obtained from some of the operators—as to the great production this year, and as to the fact that the railroads have carried more tonnage during the months of July, August, September, and October than ever before in their history; and yet Interstate Commerce Commissioner Aitchison, when asked by me in his appearance before our committee, "Has it ever been suggested that coal was being held for higher prices or speculation?" answered:

I have not any doubt of it. There has been the greatest crossing of orders, double-crossing of orders, and double-crossing of consignees and those that have had contracts for the last 90 days that I have ever known about in my business experience. That is abundantly established. We have moved coal. It has been moved and delivered in such quantities that there ought not to be any occasion for panic. But there has been the excuse of car shortage and the excuse of labor trouble. The result has been that certain unscrupulous mine owners, I have no doubt, and perhaps certain brokers who have contracts with the railroads, with construction companies of one kind or another, with industries, with wholesalers and with retailers of coal that have deliberately withheld the fulfilling of their contracts in order that they might have coal for the market.

That was the statement of a member of the Interstate Commerce Commission appearing as a witness before our committee. Coal has been so difficult to obtain that the Government itself has been obliged to pay commissions ranging as high as 50 cents per ton, one gentleman alone receiving many thousands of dollars simply for acting as an agent for the War Department in connection with such purchases.

I will call the attention of my colleagues particularly to the remarks which I now propose to make, because they affect some coal purchased by the War Department.

Mr. POMERENE. Who was the man to whom the Senator has referred?

Mr. CALDER. The one who made the \$75,000 fee?

Mr. POMERENE. Yes.

Mr. CALDER. He was Col. Wentz, president of the National Coal Operators' Association. It appears that he was invited by the War Department to purchase for them not exceeding 275,000



tons of coal, and merely for acting as the agent for the War Department he was to be paid \$137,000. The evidence before the committee indicated that he had already procured for the Government while acting as its agent 150,000 tons of coal, involving a commission or agency fee to him of \$75,000.

Mr. POMERENE and Mr. EDGE addressed the Chair.

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Does the Senator from New York yield; and if so, to whom?

Mr. CALDER. I yield to the Senator from Ohio.

Mr. POMERENE. Am I correctly advised that this gentleman was himself at the head of a certain corporation which was selling coal at probably \$4 a ton or thereabouts to private parties; that he went out and bought coal for the War Department at \$11 a ton and got a commission of 50 cents per ton thereon? I was so informed this morning, though I was not present at the time he testified. Is that correct?

Mr. CALDER. It is substantially correct, but the evidence before the committee indicated that Col. Wentz's mine in West Virginia, the Stonega mine, was selling coal for \$3.50 per ton, or perhaps \$3.75 a ton, and that, acting as the agent for the Government, he sold coal to the War Department at \$11 a ton. I inquired of Col. Wentz if he sold any of his \$3.50 coal to the Government. He said he did not, but that he sold other people's coal to the Government at \$11 per ton, out of which he made a commission or an agency fee of 50 cents.

Mr. POMERENE. Has the Senator individually, or has his committee, been able to reconcile that course of conduct with the principles of common honesty which ought to regulate the relations which exist between a man who is dealing with the Government and the Government?

Mr. CALDER. Mr. President, I was quite shocked at the disclosure, and stated at the hearing that the American people never would agree that a transaction was perfectly legitimate whereby a coal operator who sold coal for \$3.50 a ton to his private customers should, while representing the Government, obtain coal for it at \$11 a ton. His answer was that he had no coal to sell at that time, but that the Government had sent him out to buy coal in the market for it, and that he did buy some coal for the Government at as high a price as \$11 a ton.

Mr. KENYON. May I ask the Senator from Ohio a question?

Mr. POMERENE. I yield, with the permission of the Senator from New York.

Mr. KENYON. Being a member of the committee which made this investigation, I am interested in the inquiry of the Senator from Ohio. Does he think that it is the duty of the committee to reconcile with the principles of common honesty the operations of many of the coal operators in this country? If he does, I wish to retire from the committee.

Mr. POMERENE. Mr. President, I am very frank to say that when I asked the question, with all the respect that I have for the great ability of the committee, I did not believe they would be able to do it. I simply desire to observe—and I am assuming when I make the statement that the facts are fully before the committee, and I base my statement upon that assumption—that I think the facts should be referred to the Department of Justice, if this man is a civilian, for their investigation; and if he was in the War Department it ought to be referred to that department, with a view to court-martialing him.

Mr. CALDER. The Senator from Ohio is referring to and, of course, has in mind Col. Wentz. Col. Wentz is not now in the service; he is not a Regular Army officer, but is the president of the National Coal Association. He has not been in the service for some time, nor did he arrange for this agency fee while he was in the Army. Col. Wentz is a coal operator, and is also a wholesale coal dealer. Not as an operator selling coal at \$3.50 a ton, but as a wholesale coal dealer, selling coal at the market price, he arranged this matter for the War Department, as he says, at its request. I have no reason to doubt him. He said at the request of the War Department he went out and bought the coal at prices not exceeding \$11 a ton, receiving a fee of 50 cents for doing that for the War Department.

Mr. McCUMBER. Mr. President, does not the difference between \$3.50 and \$11 per ton represent the average extent to which the Government was held up during the war on all articles purchased by it?

Mr. CALDER. I think that may be true; but the war is over and high prices ought to cease.

Mr. McCUMBER. Yes; but I was merely trying to ascertain whether that was about the extent to which the Government was robbed during the war in connection with all articles purchased by it, at the same time it was paying ninety-odd dollars for a hinge and \$45 for a lock for a door.

Mr. EDGE. Mr. President—

Mr. CALDER. I yield.

Mr. EDGE. With the permission of the Senator from New York, I think it is only fair to state that, as I recall the testimony before the committee yesterday, Col. Wentz testified that he advised the War Department that they should not buy coal at that time, but the War Department—and I think the evidence was the Secretary of War or the purchasing agent; I am not sure which and can not state positively—insisted that he go into the market at that time and buy the amount of coal that he was deputized to buy, and it was necessary, in order to carry out that order, to pay from \$6.90, to \$11 per ton. I think that is correct, is it not?

Mr. CALDER. That statement was made by Col. Wentz.

Mr. POMERENE. May I ask a question for further information?

Mr. CALDER. I yield.

Mr. POMERENE. Did the committee go into the question of the immediate necessities of the Government at that time?

Mr. EDGE. I did not catch the question.

Mr. POMERENE. Did the committee go into the question of what were the immediate necessities of the Government at that time?

Mr. EDGE. No; not in detail. It was at the end of the day's session. This information, however, must be followed up by the committee in many respects. The particular coal purchases, as I recall, were made in September and October of this year for the coming winter's use.

Mr. POMERENE. Mr. President, I have such infinite confidence in the personal integrity and the high character of the Secretary of War that I do not believe he would enter into any contract unless he thought that it was absolutely necessary. I have no doubt that, whatever his views may have been at the time, they were based upon what he thought was sufficient evidence; but I am directing my attention to the coal dealer, who will sell his own coal at \$3.50 to the private consumer or the industrial consumer, and when it comes to selling coal to the Federal Government for its operations charges \$11 per ton. That course can not be defended.

Mr. EDGE. Mr. President, I am quite sure that no member of the committee is offering any immunity for the coal dealers. If Senators have followed up our investigation and the reports we have already submitted they will realize that it is not necessary even to discuss such a question. The Senator from Ohio, I think, has not entirely understood the testimony as I recall it. The same purchasing agent for the Government, Col. Wentz, did not sell his coal for \$11, as I recall his testimony.

Mr. CALDER. That is correct.

Mr. EDGE. He sold his coal for \$3.50 and above, but I do not recall that he ever sold it for as high as \$11.

Mr. POMERENE. I think inadvertently I used the word "sell." I understood from what the chairman of the committee said that the gentleman referred to went out and bought the coal from other producers and sold it and got a commission of 50 cents.

Mr. EDGE. Yes; but Col. Wentz stated very positively to the committee that he did that upon positive orders of the War Department and against his own advice.

Mr. CALDER. Mr. President, the committee now knows the cost of bituminous coal at the mines of the respective producers; it knows the names of the producers and the amounts at which they have sold their coal; it knows something of the activities of one of the great coal associations which during the past three years has spent nearly a million dollars, has collected from its members nearly a million and a quarter, and is now collecting at the rate of nearly a half million dollars annually. This association during the past summer has been trying to ally itself with wholesalers and retailers and anthracite producers, in order to present a united front to influence the making and administration of the Federal laws. It has assisted in drafting some of the priority car-service orders of the Interstate Commerce Commission which have relieved its members of contractual obligations. It is ever ready to supply voluminous information upon the questions which are to the interest of its membership, but seems reluctant to supply simple and essential information which may be to their disadvantage. Its membership have dictated to the United States Geological Survey as to the form in which the basic figures should be compiled. It has spent in lawyers' fees alone during the past nine months over \$100,000. Its officers have held forth to this committee promising assurances of reductions in prices of bituminous coal since last July. Nevertheless, profiteering has continued and propaganda has been issued shifting responsibility to others; indeed, this association is so powerful that its president has been

sought by the War Department as a procurer of bituminous coal at a commission of 50 cents a ton.

According to the final figures furnished the committee, during the period from July to November the War Department purchased some 900,000 tons of bituminous coal at figures as high as \$13 at the mine. The average cost of mining this coal was probably about \$3. The average price to the War Department of this coal at the mine was about \$7 per ton, so that the department paid about \$3,600,000 over the cost of producing the coal.

Mr. McLEAN. Mr. President—

Mr. CALDER. I yield to the Senator from Connecticut.

Mr. McLEAN. In my section of the country in the early autumn of this year the operators had sold large quantities of coal at contract price, say, \$10 or \$11 a ton delivered there, and the purchasers could not get the coal. They were told by the operators that they did not have it, but that they could go to what they called the independents and buy all the coal they wanted for from \$18 to \$20 a ton.

I had quite a correspondence with the Department of Justice and the Federal Trade Commission in regard to the matter, and I could not get any satisfaction at all. It seems to me that the law ought to be so amended that the Federal Trade Commission, in cooperation with the Department of Justice, can get at a situation like that and punish them, and if the Federal Trade Commission have not power enough it seems to me it would be a good plan to give them additional power. If all they have are gums without teeth, we had better put some teeth into the gums without establishing any new board.

Mr. CALDER. I am quite in accord with the Senator's views. I know something about the conditions in his State. I heard a good deal about them from the Senator himself during the summer. The trouble was this: Those who had contracts to deliver coal to the citizens of the Senator's State complained that they could get no cars; but the Senator's constituents could always go out and get the coal if they paid the price, while the coal operator or wholesaler who had a contract with the Senator's constituents was selling in Baltimore or Philadelphia or New York or some other place, at the spot price, the contract coal which should have gone to his people.

Mr. McLEAN. It appeared to us that there was collusion between the regular operators and the independents, as they were called. Has the Senator investigated that subject?

Mr. CALDER. Mr. President, we have not gotten down to it. This is one of the most important things I ever tackled; and I want to say to my friend the Senator that the ramifications of this coal business, one "passing the buck" to the other, and, as Mr. Aitchison said before us, the crossing and double-crossing of the coal industry during the past summer, have been about the worst examples of defying the public and of giving improper information that have ever come to my knowledge.

Mr. McLEAN. Did the Senator's investigation go into the quality of the coal? I am getting complaints frequently that the coal that is being delivered in New England now is about 25 per cent slate.

Mr. CALDER. I will say to the Senator that we have had many complaints, and we have investigated some of them.

Mr. EDGE and Mr. FRELINGHUYSEN addressed the Chair. The PRESIDING OFFICER. Does the Senator from New York yield; and if so, to whom?

Mr. CALDER. I yield first to the junior Senator from New Jersey.

Mr. EDGE. Is not the query of the Senator from Connecticut partially answered, at least, by a realization of the fact that under the priority orders many of these independents were able to secure orders for cars to transport their coal, and, as I understand from the testimony before the committee, I think yesterday or the day before, the Interstate Commerce Commission is compelled by the present law to allocate certain cars to the smaller mines in certain proportions, and through that the independents were able to get a sufficient supply of coal in the retailers' hands to keep up these prices in the way he speaks of? There is not any question in the world, in my judgment, that there must be legislation giving the Federal Trade Commission considerably more power, if that is the board to handle the subject; and there must be some board, perhaps the Interstate Commerce Commission, in such a position that common sense and ordinary business judgment can be used rather than these automatic rules or laws, whatever they may be.

Mr. FRELINGHUYSEN. Mr. President—

Mr. CALDER. I yield to the senior Senator from New Jersey.

Mr. FRELINGHUYSEN. I understand that the preliminary report of the Senator's committee provided for the standardiza-

tion of coal, did it not, the classification of coal through an inspection? Did it not recommend that?

Mr. CALDER. I do not think we went into that very fully. Mr. FRELINGHUYSEN. I will state, if it did not, that the bill which was presented to the Interstate Commerce Commission contemplated placing in a bureau of the Government or in the Geological Survey the inspection and standardization of coal by Government authorities.

Mr. POMERENE. Mr. President, if the Senator will permit me—

Mr. CALDER. With pleasure.

Mr. POMERENE. The Senator from Connecticut [Mr. McLEAN] has referred to the exorbitant prices which were charged to consumers in the State of Connecticut. I may say that even in my own State, when the production of coal was certainly costing, including a reasonable profit, not to exceed \$4 per ton f. o. b. cars at the mine, it was retailing to the domestic consumer at eight and nine and ten and eleven dollars. The Senator from New York has just referred to the price that was paid by the War Department. I state these facts preliminary to this question:

Has not the committee found that in very many instances these exorbitant charges were being made as against domestic consumers and industrial consumers, as well as the War Department, at a time when Col. Wentz was contracting his coal, as he claims, at \$3.50 and \$4 per ton f. o. b. cars at the mine?

Mr. CALDER. Yes, sir. I will say to the Senator that in the great industrial centers in the East these industries, the public utilities, and the coal dealers, having contracts for their year's supply, were unable to obtain enough coal for their immediate needs, and were obtaining some, but were required to go out during certain months of the year when they had contracts for \$3.50 and \$4 a ton and pay as high as \$12, \$14, and \$15 to get enough coal for their immediate needs.

Mr. POMERENE. Mr. President, the Senator from New York in the early part of his remarks on this subject made the statement that these difficulties were in part labor, in part strikes, and in part transportation. I think he is right about that; but, save during the time when this outlaw strike of the switchmen was in progress, it was my observation, after a considerable investigation, that the men who could not get transportation when they were paying a low price for coal could nearly always get transportation when they paid a high price for coal. Now, there may be some way of explaining that consistently with the high principles of common honesty, but I do not expect this committee to answer that question. I desire to call attention to another matter, if the Senator will permit me.

There has been a good deal of talk about the troubles growing out of the shipment of coal for the uplake region, and this has to some extent affected the price of coal in my section of the country. Will the Senator permit me to explain briefly?

Mr. CALDER. Certainly.

Mr. POMERENE. Ordinarily the shipment of coal up the Lakes begins at the opening of navigation, and there is a constant stream of these coal boats going up the Lakes laden with coal and coming down laden with iron. They always desire to have this coal taken up by the Lake route, because it is much cheaper than by the railroad route; but this switchmen's strike in the spring largely interfered with these shipments up the Lakes. Then an order was made by the Interstate Commerce Commission directing that a vast deal of the coal mined in Ohio, western Pennsylvania, and perhaps in West Virginia should be taken up to the Lake ports in order that it might be sent up by the Lake route, their intention being to supply the Ohio consumers and others in that vicinity later in the season, and they made an order to that effect, so that coal was sent up to the Lakes which ordinarily was not shipped up there. I say "ordinarily not shipped," for the reason that some of our coal in Ohio is too soft for storage purposes, and when it is stored and gets wet it heats, and we have spontaneous combustion; so that it is the harder variety of coal that is ordinarily shipped up the Lakes. Under this order a good deal of this soft coal, too soft for storage, was sent up the Lake routes, and in Ohio during the summer you could not get coal at any reasonable price for domestic purposes; and it further resulted in this situation: Many of these mines had contracted their coal to private industries at, let me say—I am not speaking accurately—\$4 per ton at the mouth of the mine, and under this order to ship it up-lakes these operators got \$5 a ton and over for the coal that went up-lakes, when it was all under contract to sell to these private industries at \$4 or less.



After this plan had been in operation for some time I was waited upon by a committee from the Chambers of Commerce of Akron and Canton. They had been in conference with the chamber of commerce in Cleveland, and later on they had some hearings, as a result of which the situation was to some extent remedied; but even in August, notwithstanding the experience which we had two years ago, there were from ten to eleven thousand cars of loaded coal on the sidetracks in Cleveland, which was the equivalent of about four days' shipping capacity of all the boats on the Lakes, and another 6,000 cars were en route between the mines and the Lakes for lake shipment. The result was that here were these cars standing idle for a period of nearly four days on the tracks in Cleveland, and the domestic consumer could not get coal, and under a proper regulation of this situation these cars could have been sent to the mines, reloaded, and sent to these various industrial centers where they needed coal for domestic purposes. I think those facts ought to be known, and we ought to have the benefit of them in our investigation of the subject.

Mr. CALDER. Mr. President, the information given by the Senator from Ohio [Mr. POMERENE] to some degree was already known by the committee. These priority orders were issued and taken advantage of undoubtedly by some coal operators, and they worked just as the Senator has told us they did. The industries of his State, the household consumers, and the public utilities having contracts had their coal diverted under these priority orders, and they were compelled, despite the fact that they were covered by their contracts, to go out into the open market and buy spot coal, and were compelled to pay one, two, or three dollars, often five or six or ten dollars, higher for coal for their immediate needs.

Mr. McLEAN. Mr. President, does the Senator know whether the production of coal is running equal to the consumption now?

Mr. CALDER. Mr. President, testimony before the committee yesterday indicated that the production of coal for this coal year, that is, the year beginning April 1 of this year and ending April 1 of next year, will be greater than in any year in the history of the country, and that the facilities are here for increasing that production at least 150,000,000 tons.

Mr. McLEAN. Then what is the real reason why we can not get coal in our section of the country? The situation is very serious there now. I had a communication from the city of Middletown last week telling me that they can not get coal at any price.

Mr. CALDER. Mr. President, I think it is fair to say that the bituminous situation in the eastern part of the country has been somewhat relieved, but the anthracite situation is still very bad. We have had some hearings in New York on that, and the junior Senator from New Jersey [Mr. EDGE] came to me this morning and said he thought that we ought to direct our attention to relieving the anthracite situation in the East. He pointed out to me some letters he had, and I received some this morning from up-State counties in New York, which show that people are without fuel.

Mr. McLEAN. They consume both kinds, largely, in Connecticut, but a large percentage of the domestic consumption is of anthracite coal, and we can not get it at any price.

Mr. CALDER. Mr. President, I will say to the Senator from Connecticut that we have formed some acquaintance with this subject in the last few days. We have been told by these gentlemen that if there is anyone with a specific complaint they will take care of it. If the Senator will forward his letters to our office, we will pass them along and try to help the immediate needs of his people.

Mr. McLEAN. I would like to discover an instrumentality which can assist us in procuring some coal.

Mr. CALDER. We will try to help.

Mr. McLEAN. I assure the Senator that he will be blessed, or cursed, with a large number of appeals for coal.

Mr. EDGE. Mr. President—

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from New Jersey?

Mr. CALDER. I yield.

Mr. EDGE. As a member of that committee, following the very generous suggestion of the chairman of the committee, I am quite willing to join with him in helping in any possible way to secure that relief, but I think he should have his remarks clearly understood to refer, as possibly they did, to bituminous coal, soft coal. I think the situation so far as the soft-coal supply is concerned, according to the evidence before us, is such that there should be absolutely no difficulty in any part of the country to-day to have soft coal delivered at what would seem to be a fair price, and as a member of the committee I join with him and will be very glad to have concrete evidence sent to us, so that we can follow it up, if it refers to the soft coal, where difficulty is encountered in having delivery

or where the price seems to be out of proportion to the cost that has been established by the investigation of the committee.

The question of anthracite coal, however, is quite different, and there are very many more complexing situations in connection with it which have come to the committee, and I must say that up to the present moment the solution is not in sight so far as I have been able to find.

Mr. CALDER. The committee is thankful at last that it has actual and specific information as to selling prices and as to purchasers, and with this definite information it is to be hoped that pressure may be brought to bring prices of coal to a reasonable level.

The outstanding fact of the committee's investigations seems to be that the coal interests themselves have taken the matters in hand during the past season, have influenced the issuance of priority car-service orders and other Federal action, and that the public has lost, while those engaged in the coal industry have made extraordinary profits. Many of the bituminous coal operators have set a most unfortunate moral example to the industry of the country during a period in which there should have been moral reconstruction as well as physical reconstruction.

#### NATIONAL POLICY OF ECONOMY.

Mr. FRELINGHUYSEN. Mr. President, in the recent election the voters of the country swept out of office a great number of Democrats, many of whom have been faithful public servants. Even Tennessee, Arizona, Oklahoma, Maryland, and Missouri added their protest against present conditions. It is, however, no time for elation on the part of the Republicans, to whom the people have so overwhelmingly turned. It is rather a time for caution. Our responsibility is grave. Our task is serious. We must put the country on a sound financial basis. Our foreign policy must be thoroughly American. Above all we must return to constitutional government and cast aside any and all autocratic practices, many of which doubtless were advisable or perhaps necessary during the war. If we practice economy, if we avoid entangling alliances, and if we are guided by the Constitution I have no question but that we shall deserve to remain in power and will remain a long time. If, however, we spend too much time in elation, abuse our power, and fail to perform that which the people expect, they will turn on us as they have on the Democratic Party. With the lessons of 1912 fresh in our minds I have no fear of division in our ranks. And I have no doubt of constructive results at the hands of the party of Abraham Lincoln, McKinley, Roosevelt, and Harding.

Let us look into some of our problems and their remedies. When war was declared in 1917 we had in the executive departments in Washington a total of 32,000 employees. A year and a half later, at the time of the signing of the armistice, we had 117,000 employees. In a year the Republican Congress, though the executive branch was still Democratic, cut this number to 87,000. After two years of actual if not technical peace we still have 55,000 more employees in Washington than when the war began. Within the next six months we should further greatly reduce the total, and by the end of the present fiscal year we should, if it is at all possible, return to the prewar basis.

The Bureau of War Risk to-day has on its rolls in the National Capital 6,313 employees, as compared to 15,000 a year ago and 17,000 18 months ago. During the fiscal year it is costing the Government \$125,000,000 for the payment of military and naval insurance, \$10,324,000 for salaries and expenses, and \$46,000,000 for the taking over of hospitals. Meanwhile the bureau is giving out the information that it has received gross applications numbering 4,655,916 and amounting in risk to \$40,414,715,500. These are stupendous figures and would greatly impress us with the usefulness of the bureau did we not stop to examine them. The facts are that only 300,000 who have been honorably discharged from the service are still paying voluntarily on \$1,740,000,000 of the original war risks included in the \$40,414,715,500, and 200,000 now in the service are involuntarily paying on \$990,000,000 on the risks in the grand total applied for. Ninety per cent of our soldiers, sailors, and marines who in the first instance took out war-risk policies provided by the Government were not sufficiently interested in them to keep up their payments and were therefore dropped. Five per cent of these have been influenced by the bureau as the result of large expenditure of money and energy to convert their policies to life insurance handled by the Government which would otherwise be handled by private companies outside of the Government. Thus, the Government, as it has a right to do under the law, to-day holds in risks of this kind 237,411 policies amounting to \$749,145,000 in risk. Of this total \$125,503,000 is in ordinary life policies, \$233,146,000 in 20-year endowment policies, \$270,863,000 in 20-year payment life policies, \$48,359,500 in 30-year endowment policies, \$41,010,000

in endowment policies paid up at the age of 62, and \$30,252,000 in 30-year payment life insurance policies.

If such a large proportion of men have abandoned Government insurance, is it not fair to conclude that the bureau is a failure? Certainly the Government should not go into the insurance business at a loss, any more than the railroad, the telephone, or the telegraph business. The insurance should, however, be continued for those who care to keep it up; but I can see no reason why the War Risk should not be abolished and all of its functions turned over to the Pension Office. The good of the bureau thus would be retained and much expense done away with. Then, in accord with Republican policy throughout two generations, we should continue to assist those disabled in the service and their dependents. Many millions would be saved for the taxpayers and at the same time a policy would be continued which has always been proven fair and beneficial. At least one-half of the present cost—ten millions—would be saved.

Other bureaus in Washington are swelled out of all proportion to what they should be. One of these is the Bureau of Loans and Currency in the Treasury Department. In 1917 this bureau employed 40 people. It now has 2,000 on the pay roll. By simplification of method most of these could be done away with. All of the auditors for the various departments should be centered under one head, as is contemplated in the budget bill. They now employ 2,402 clerks. In the War Department auditing 1,057 are engaged, some of them on claims for horses stolen or bales of cotton burned during the War of 1812. The Bureau of Engraving and Printing has 7,213 clerks at work on activities growing out of the war, which should be rapidly completed. In the State Department 120 clerks are issuing passports, due entirely to the ludicrous fact that we are still legally at war with the long since defunct German Empire. The Public Health Service, placed upon a military basis, has here 2,000 clerks who stumble over each other in their efforts to keep up the friction of the technical conflict in which we are still engaged. The Adjutant General has about 3,000 clerks employed in the largest filing job in the world, but it is not to be expected that this will last forever. The work should be completed, the vast array of clerks discharged, and the number brought to the limit before the war. With the completion of the census 2,000 more clerks should, of course, disappear. Several bureaus overlap in their activities. Thus the Bureau of Mines and the Bureau of Standards are making the same investigation of heat treatment in improving the quality of steel. Thus also the Bureau of Education, the Woman's Bureau, the Children's Bureau, the Public Health Service, the Census Office, and the Department of Agriculture overlap in many instances. These facts and figures are only a part of the evidence of the crying need for the strictest sort of economy in order to bring us back to a businesslike conduct of the Government.

One of the evidences of waste and extravagance is provided by what is known as the Reclassification Commission, which has had for its noble purpose the rearrangement on a more equitable basis of the salaries of Government clerks. On this commission the President named two former Representatives of his own party in Congress—Mr. Keating, of Colorado, and Mr. Hamlin, of Missouri—and one Republican, Mr. Cooper, of Wisconsin, who has since been reelected. These estimable gentlemen spent \$75,000 of the people's money and made a directory classification, which has failed in Chicago and every other municipality where tried. No great business enterprise would think of establishing a wooden standard of classification and remuneration for every place in its employ. Yet from the Reclassification Commission we have a voluminous report, which has all the appearance of presenting the details of a Chinese civil service.

No Member of either branch of Congress has more sympathy for the just grievances of the underpaid Government clerk than I have. When I see a man in charge of the sale of our public timberlands, and with many millions of dollars intrusted to his hands, receiving \$1,800 per annum, and when I see the Assistant Chief of the Division of Bookkeeping and Warrants in the Treasury Department, with all of his first-hand knowledge of Government accounts, gathered through years of faithful service, receiving \$2,500 a year, I know that something is wrong. Whatever rearrangement is made should be upon a plan that will make for increased efficiency and more business activity in the departments. Certainly something should be done to remedy flagrant inequalities and inadequacies in Government salaries.

It seems to me that a practicable idea would be to separate the clerks into several grades. For each of these grades there would be a stated salary. Thus, a person doing janitorial work in each of the departments or commissions would receive the same stipend. And so each class of clerical work could be

conveniently graded. And thus, also, with scientific investigators, the most capable of whom should receive \$3,500 per annum. Each grade should be so comprehensive for its class of work that about 15 of them would cover the entire Government service. Each should have possibility of promotion to a figure \$500 above that at appointment. If Congress, under the necessity of economy, felt the need of effecting only one grade at a time it could do so without prejudice to the others. The entire plan would be comprehensive and flexible and do justice to the Government service.

Some glaring anomalies of our Government departments from a business point of view are well known. In the Treasury Department, which should have to do solely with our fiscal affairs, we find the Coast Guard, the Public Health Service, the Supervising Architect's Office, and the Bureau of War Risk Insurance. In the Department of Agriculture we find the Bureau of Public Roads, while the Reclamation Service is in the Department of the Interior. Outside of executive departments we find 40 boards, commissions, offices, and bureaus which have no supervision except from Congress. In other words, a good deal of the executive functioning of the Government is illogically and wastefully organized. All of the agencies for the internal physical improvement of the country, such as the river and harbor work, the construction and maintenance of public buildings and grounds, reclamation projects, public roads, inland waterways, and water power, should be part of a new department of public works. The Children's Bureau, the Public Health Service, the Bureau of Education, and kindred activities should be brought together in a department of social welfare.

I know of no more outrageous violation of business principles in the conduct of the Government than the extraordinary extravagance and waste practiced in the United States Shipping Board. In that remarkably inefficient organization 7,800 employees remain of those who assisted in throwing away two billions of the people's money. Where it all went an investigation is seeking to discover. At enormous expense the United States built up during and immediately following the war a merchant marine which is given by Lloyd's for June 30, 1920, at 16,049,000 tons, as compared with 4,330,000 tons in 1914. A tragedy lies in the fact that while we have been bungling and bickering about means to promote our commercial fleets Great Britain is regaining her shipping lost during the submarine warfare to such an extent that to-day her dead-weight tonnage is estimated at 20,582,000, as compared with 20,523,000 in 1914. This Congress has already laid down broad lines along which the efficiency of our merchant marine may be improved. It has provided that all our ships under Government operation be turned over eventually to private ownership; that none shall be sold to an alien or operated under a foreign flag. It has granted special concessions to those who operate to certain ports and thereby extend our markets, and it has provided that some shall be kept in special condition for transport use in time of war. It should become one of the chief aims of our Republican administration to immediately turn over to private ownership all Government-owned vessels, to make America first in the number of ships and the tonnage of her merchant marine, and one of its first acts should be to rescue or sell the *Leviathan*, resting and rusting in New York Harbor, and many other ships, a condition not prevalent in England.

Unless we have a selling organization in the ports of the world all this immense investment which we have in the merchant marine will go for naught. We should have, as England has, in every mart of the world, either through the consuls or the ministers or the legations, agencies to promote the carrying in American ships of the cargoes that are sent out from those ports.

Let us consider briefly the opportunity we have presented us to expand our world trade and the advantage that can accrue to the United States in making our governmental departments more efficient for that purpose.

To understand the full import of our trade possibilities we must compare our foreign commerce with that of Great Britain. At the end of the calendar year ending December 30, 1913, our imports amounted to \$1,792,596,480, and those of Great Britain to \$3,741,047,607. During the same period our exports totaled \$2,484,018,292, and those of Great Britain \$3,089,353,116. For the year 1919 our exports were \$7,920,425,990 and those of Great Britain, \$4,688,311,525. Our imports were \$3,904,364,932 and Britain's \$7,913,689,206. The great preponderance in England's imports over exports in 1919 was due to heavy drafts of raw materials to feed her manufactures after the armistice and her inability to turn them into finished products for exportation in time to be reported before the close of the year. During the first eight months of 1920 our imports were \$3,995,178,060, as



compared with \$6,560,876,138 for Great Britain, and during the same period our exports were \$5,478,306,718, as compared with \$5,143,549,831 for Great Britain. If we consider only Britain's domestic exports and not those passing through the country, we find that we exceed the export commerce of Great Britain in 1919 by nearly \$4,000,000,000. On the other hand, Europe's temporarily accentuated dearth of food has been our gain. The percentage of agricultural products in our exports for the calendar year 1919 was 52.4 and for the first 10 months of 1920 was 42.9. Our manufactured products constituted 44.9 per cent of the total exports of 1919 and 51.3 per cent of those of the first 10 months of 1920. England's exports are almost entirely manufactures. Hence thanksgiving for our grand export total should give way to serious consideration of the problem of stimulating our manufactures by securing new foreign markets for them.

It is true that New York has replaced London as the banking center of the world and that we have supplanted England as the first trading nation of the earth. Our ocean carriers have grown in three short years so that now we are within striking distance of her tonnage. We are the greatest producing nation on the globe. By training 4,800,000 men and sending 2,000,000 troops across the sea to win every battle in which they were engaged and turn the tide, we have made Washington the capital of the world. Our wealth, which before the war exceeded the combined opulence of the British and German Empires, has gone on by leaps and bounds. The Romanoff, Hapsburg, and Hohenzollern dynasties, which overawed weak nations for centuries, have disappeared and ideas of republican government are permeating the world.

Yet this seeming great prosperity and progress have grown out of abnormal world conditions. With the return of the peoples everywhere to normalcy, it becomes imperative that we repeal unwise tariff laws and rescind unwholesome fiscal practices. The people must realize the necessity of work. As we promised in the campaign, we must have more business in the conduct of the Government and less government in the conduct of business. We must stop governmental leaks, hold to rigid economy, and adopt not only a scientific tariff law, but a scientific method of securing foreign trade.

It would be the height of folly not to protect the progress we have thus far made, our commerce, our wealth, and our institutions with a navy adequate to meet in time of emergency any great enemy. National ambitions have not been lessened by the World War. Jealousies prompted by trade rivalry may lead to conflict unless our force is sufficient to compel respect and maintain peace.

When other nations are developing their building programs it would be suicidal for us to permit our Navy to become second rate. We have been informed by Representative BRITTEN, of Illinois, in the CONGRESSIONAL RECORD of June 1 last, that by 1923 we shall have a sea force greater than the combined fleets of the British Empire. Our Naval Intelligence, he says, has brought forth figures to show that we have 33 battleships and battle cruisers built and building, while Great Britain has 35 ships of the same character. We are said to have a total tonnage of 1,118,650 as compared with 884,000 for England, an advantage of 8,638 tons per ship. In main batteries we are supposed to have 340 guns to 314 for the British. Our guns will average 14½ inches in caliber as compared to 13½ inches for theirs. In a broadside we hurl 548,400 pounds as against 452,000 pounds. In the secondary battery our guns will number 494 to Britain's 526. But ours have 5.4 inches caliber while hers have 4.9 inches. It is stated that we throw 40,158 pounds of projectiles as compared to 32,080 pounds. It is presented as fact that in 1923 in one volley from all our guns we shall throw 588,638 pounds of steel as against Britain's 484,080 pounds. We are to have 322 destroyers to 350 for Britain, but ours are to be superior in speed and more up to date, so the story goes. In submarines we are to be equal, and in that field American ingenuity is to throw the weight on our side.

Mr. President, in that connection I desire to insert in the RECORD the figures from Naval Intelligence to prove the statements I have made.

The PRESIDING OFFICER. Without objection, permission is granted.

The matter referred to is as follows:

Comparison of United States and British Navies capital ships launched 1905 to 1920, inclusive, and ships building or authorized, 1920.

GREAT BRITAIN.									
No.	Year and name.	Type.	Normal displacement.	Speed.	Main battery.	Secondary battery.	Weight of one main broadside.	Weight of secondary broadside.	Total weight of broadside.
	1909.			<i>Knots.</i>			<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>
1	Neptune.....	Battleship.....	20,200	21.00	10 12-inch.....	20 4-inch.....	8,500	500	9,000
	1910.								
2	Colossus.....	Battleship.....	20,600	21.00	10 12-inch.....	16 4-inch.....	8,500	400	8,900
3	Hercules.....	do.....	20,600	21.00	do.....	do.....	8,500	400	8,900
4	Orion.....	do.....	22,500	21.00	10 13.5-inch.....	do.....	12,500	400	12,900
5	Lion.....	Battle cruiser.....	26,350	23.00	8 13.5-inch.....	do.....	10,000	400	10,400
	1911.								
6	Thunderer.....	Battleship.....	22,500	21.00	10 13.5-inch.....	16 4-inch.....	12,500	400	12,900
7	Monarch.....	do.....	22,500	21.00	do.....	do.....	12,500	400	12,900
8	Conqueror.....	do.....	22,500	21.00	do.....	do.....	12,500	400	12,900
9	King George V.....	do.....	25,000	21.00	do.....	20 4-inch.....	14,000	500	14,500
10	Centurian.....	do.....	25,000	21.00	do.....	do.....	14,000	500	14,500
11	New Zealand.....	Battle cruiser.....	18,750	26.00	8 12-inch.....	do.....	6,800	500	7,300
12	Princess Royal.....	do.....	26,350	28.00	8 13.5-inch.....	16 4-inch.....	10,000	400	10,400
13	Australia.....	do.....	18,800	26.00	8 12-inch.....	14 4-inch.....	6,800	350	7,150
	1912.								
14	Ajax.....	Battleship.....	25,000	21.00	10 13.5-inch.....	20 4-inch.....	14,000	500	14,500
15	Marlborough.....	do.....	25,000	21.00	do.....	12 3-inch.....	14,000	1,200	15,200
16	Iron Duke.....	do.....	25,000	21.00	do.....	do.....	14,000	1,200	15,200
	1913.								
17	Agincourt.....	Battleship.....	27,500	22.00	14 12-inch.....	20 6-inch.....	11,900	2,000	13,900
18	Erin.....	do.....	23,000	21.00	10 13.5-inch.....	16 6-inch.....	14,000	1,600	15,600
19	Canada.....	do.....	28,000	22.75	10 14-inch.....	12 6-inch.....	14,000	1,200	15,200
20	Benbow.....	do.....	25,000	21.00	10 13.5-inch.....	do.....	14,000	1,200	15,200
21	Emperor of India.....	do.....	25,000	21.00	do.....	do.....	14,000	1,200	15,200
22	Warspite.....	do.....	27,500	25.00	8 15-inch.....	do.....	15,600	1,200	16,800
23	Queen Elizabeth.....	do.....	27,500	25.00	do.....	do.....	15,600	1,200	16,800
24	Tiger.....	Battle cruiser.....	28,500	28.00	8 13.5-inch.....	do.....	10,000	1,200	11,200
	1914.								
25	Valiant.....	Battleship.....	27,500	25.00	8 15-inch.....	12 6-inch.....	15,600	1,200	16,800
26	Barham.....	do.....	27,500	25.00	do.....	do.....	15,600	1,200	16,800
27	Royal Oak.....	do.....	25,750	23.00	do.....	14 6-inch.....	15,600	1,400	17,000
	1915.								
28	Revenge.....	Battleship.....	25,750	23.00	8 15-inch.....	14 6-inch.....	15,600	1,400	17,000
29	Royal Sovereign.....	do.....	25,750	23.00	do.....	do.....	15,600	1,400	17,000
30	Malaya.....	do.....	27,500	25.00	do.....	12 6-inch.....	15,600	1,200	16,800
	1916.								
31	Resolution.....	Battleship.....	25,750	23.00	8 15-inch.....	14 6-inch.....	15,600	1,400	17,000
32	Ramillies.....	do.....	25,750	23.00	do.....	do.....	15,600	1,400	17,000
33	Repulse.....	Battle cruiser.....	26,500	31.00	6 15-inch.....	17 4-inch.....	11,700	425	12,125
34	Renown.....	do.....	26,500	31.00	do.....	do.....	11,700	425	12,125
	1918.								
35	Hood.....	Battle cruiser.....	41,200	31.00	8 15-inch.....	12 5.5-inch.....	15,600	1,380	16,980

The term "broadside" as used here signifies one discharge from all guns and not from the guns of one side only. The year given is the year in which the ships were launched.

Comparison of United States and British Navies capital ships launched 1905 to 1920, inclusive, and ships building or authorized, 1920—Continued.

## UNITED STATES.

No.	Year and name.	Type.	Normal displacement.	Speed.	Main battery.	Secondary battery.	Weight of one main broadside.	Weight of secondary broadside.	Total weight of broadside.
				<i>Knots.</i>			<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>
1	1908. North Dakota.	Battleship.	20,000	21.01	10 12-inch, 45 caliber.	14 5-inch, 51 caliber.	8,700	1,080	9,780
2	1909. Delaware.	Battleship.	20,000	21.56	10 12-inch, 45 caliber.	16 5-inch, 51 caliber.	8,700	1,080	9,780
3	Utah.	do.	21,825	21.04	do.	do.	8,700	1,008	9,708
4	1910. Florida.	Battleship.	21,825	22.08	10 12-inch, 45 caliber.	16 5-inch, 51 caliber.	8,700	1,008	9,708
5	1911. Arkansas.	Battleship.	26,000	21.05	12 12-inch, 50 caliber.	16 5-inch, 51 caliber.	10,440	1,008	11,448
6	Wyoming.	do.	26,000	21.22	do.	do.	10,440	1,008	11,448
7	1912. New York.	Battleship.	27,000	21.47	10 14-inch, 45 caliber.	16 6-inch, 51 caliber.	14,000	1,008	15,008
8	Texas.	do.	27,000	21.05	do.	do.	14,000	1,008	15,008
9	1914. Nevada.	Battleship.	27,500	20.53	10 14-inch, 45 caliber.	12 5-inch, 51 caliber.	14,000	756	14,756
10	Oklahoma.	do.	27,500	20.58	do.	do.	14,000	756	14,756
11	1915. Arizona.	Battleship.	31,400	21.00	12 14-inch, 45 caliber.	14 5-inch, 51 caliber.	16,800	882	17,682
12	Pennsylvania.	do.	31,400	21.05	do.	do.	16,800	882	17,682
13	1917. Mississippi.	Battleship.	32,000	21.00	12 14-inch, 50 caliber.	14 5-inch, 51 caliber.	16,800	882	17,682
14	Idaho.	do.	32,000	21.00	do.	do.	16,800	882	17,682
15	New Mexico.	do.	32,000	21.08	do.	do.	16,800	882	17,682
16	1919. California.	Battleship.	32,300	21.00	12 14-inch, 50 caliber.	14 5-inch, 51 caliber.	16,800	882	17,682
17	Tennessee.	do.	32,300	21.00	do.	do.	16,800	882	17,682
18	1920. Maryland.	Battleship.	32,600	21.00	8 16-inch, 45 caliber.	14 5-inch, 51 caliber.	16,800	882	17,682
	NOT YET LAUNCHED— AUTHORIZED 1916.								
19	Colorado.	Battleship.	32,600	21.00	8 16-inch, 45 caliber.	14 5-inch, 51 caliber.	16,800	882	17,682
20	Washington.	do.	32,600	21.00	do.	do.	16,800	882	17,682
21	West Virginia.	do.	32,600	21.00	do.	do.	16,800	882	17,682
22	Constellation.	Battle cruiser.	43,500	33.25	8 16-inch, 50 caliber.	16 6-inch, 53 caliber.	16,800	1,728	18,528
23	Lexington.	do.	43,500	33.25	do.	do.	16,800	1,728	18,528
24	Ranger.	do.	43,500	33.25	do.	do.	16,800	1,728	18,528
25	Saratoga.	do.	43,500	33.25	do.	do.	16,800	1,728	18,528
26	Indiana.	Battleship.	43,200	23.00	12 16-inch, 50 caliber.	do.	25,200	1,728	26,928
27	Montana.	do.	43,200	23.00	do.	do.	25,200	1,728	26,928
28	South Dakota.	do.	43,200	23.00	do.	do.	25,200	1,728	26,928
29	Constitution.	Battle cruiser.	43,500	33.25	8 16-inch, 50 caliber.	do.	16,800	1,728	18,528
30	Iowa.	Battleship.	33,200	23.00	12 16-inch, 50 caliber.	do.	25,200	1,728	26,928
31	Massachusetts.	do.	43,200	23.00	do.	do.	25,200	1,728	26,928
32	North Carolina.	do.	43,200	23.00	do.	do.	25,200	1,728	26,928
33	United States.	Battle cruiser.	43,500	33.25	8 16-inch, 50 caliber.	do.	16,800	1,728	18,528

	United States.		Great Britain.		United States over Great Britain.			
	Total.	Average per ship.	Total.	Average per ship.	Total.	Per cent.	Average per ship.	Per cent.
Number of ships.	33		35					
Tonnage.	1,118,050	33,898	884,100	25,260	234,550	26.5	8,638	34.2
Speed, knots, average.		23.64		23.68				
Main battery:								
Size—								
12-inch guns.	64		60					
13-inch guns.			144					
14-inch guns.	124		10					
15-inch guns.			100					
16-inch guns.	152							
Guns.	340	10.3	314	8.97	26			
Size per gun, inches.		14.5		13				
Weight, in pounds, of 1 main broadside.	548,400	16,618	452,000	12,914	96,400	21.3	3,704	28.7
Secondary battery:								
Size—								
4-inch guns.			276					
5-inch guns.	302		12					
5 1/2-inch guns.			238					
6-inch guns.	192							
Guns.	494	14.9	526	15.0				
Size per gun, inches.		5.4		4.9				
Weight, in pounds, of 1 secondary broadside.								
Combined weight, in pounds, of 1 broadside.	40,158	1,216	32,080	916	8,078	25.2	300	33.7
	588,638	17,837	484,080	13,831	104,558	21.6	4,006	29.0

Mr. FRELINGHUYSEN. If only approximately correct, these figures are astounding. They would tend to prove that we have revolutionized the naval power of the world. But if these ships are not properly manned by efficiently trained men the figures I have related mean nothing. What we need is sea power enough to protect all that we are, all that we have, and all that we do. Yet the figures I have quoted indicate an enormous burden upon the people, not only of our own country but of England as well. During the past fiscal year our naval appropriations amounted to \$438,000,000. I am in favor of proposals by this Government to both Britain and Japan that their naval forces and ours be disarmed pro rata.

At this time I wish to say to the Senate that I not only want disarmament of sea power but I want disarmament of air power as well. If we are to enter into an agreement to disarm, every effective agency for war should be disarmed.

Let me point out to the Senate that, while there seems to be a halting at the present time in England's naval program, I understand that her naval program for the coming year greatly exceeds any that we contemplate.

Mr. KNOX. Mr. President—

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Pennsylvania?

Mr. FRELINGHUYSEN. I yield.

Mr. KNOX. I desire to ask the Senator from New Jersey what will it profit if we proceed to disarm in the sense that we cease to build battleships, and cease to operate arsenals, and cease to manufacture artillery, if we permit Germany to go on with her great productive capacity for chemical armament, which the last war has demonstrated to be the efficient armament of the future?

Mr. FRELINGHUYSEN. The Senator from Pennsylvania well knows my views upon that question. Under the camouflage



of a peace industry there lies the greatest propelling force for war. When a government may not make a pound of powder or a tank of chemical gas unless she has a thoroughly established dye industry, I think it is the height of folly to allow the destruction in this country of an industry of that character.

We can not lessen our armament unless they do likewise. Our future safety on both Atlantic and Pacific demand this. War with either of them is unthinkable. With England we are one in language and law. With Japan we are participants in a harmonious relationship, which has existed since Perry landed there in 1854. Yet for us to disarm without them would be nothing less than foolhardy. Let negotiations be opened to the end that the three great possible rivals of the future may by disarming set an example to the other nations of the world.

As a people we are faced with a tremendous responsibility. We must husband our resources. We must be content with nothing less than to be the greatest Nation of all time, not in dominion or merely in wealth but in service to mankind. This service, however, does not consist in yielding our sovereignty, but in developing this Nation to the utmost so as to reveal to an even greater extent what liberty may do under republican institutions. We have just concluded in this country two great moral reforms. By one we have suppressed the liquor traffic and by the other we have admitted that the intelligence and character of women are needed at the ballot box no less than those of men. I doubt if the earnest men and women who brought about those reforms will be content with anything short of another triumph. I think they will now turn to the elimination of the greatest blot on our American civilization at the present time—the prevalence of ignorance as indicated by our statistics of illiteracy. From the time when in 1635 the Dutch in New Amsterdam provided for elementary schools at public expense and Harvard College was founded in 1636 we have gone on building until we have thought that we had provided for universal free education. But the 8,000,000 of those who can not read and write the English language, augmented by the million who came to our shores every year until the World War from other countries, gave us reason to pause. That war brought out the astonishing fact that 24.5 per cent of our enlisted men could not read a newspaper or write to those at home. Vast numbers of immigrants from southern Europe and from Russia and Poland have come here with antigovernment ideas and without any knowledge of our language or the spirit of our institutions, and we have had in consequence May Day outrages, I. W. W. depredations, and the killing and maiming of the innocent by bomb throwers who have had no other thought than insult to our form of government.

The new Republican administration must face this problem and meet it with practical and permanent remedy. It can not admit to the country those who will not assimilate our customs and who are hostile not only to our Government but to every form of government. The States have made great progress in education. During the past generation public schools have multiplied until now there is scarcely a place where free education can not be had. There are, however, some States which have not kept pace with the educational movement. I fear that some of them under one form or another are seeking Federal help, which, translated, means help from other States. It should not be necessary to offer any State a bounty to stamp out illiteracy. As for the Federal Government, we must remember that the public school is our melting pot. It is the crucible in which we assimilate foreign-born children and the children of the foreign born.

If we admit aliens faster than they can be assimilated, we jeopardize our own institutions. We must therefore devise ways and means whereby we will not admit immigrants faster than they can be assimilated. While we now exclude anarchists, it may become necessary to be more watchful and to make certain that we are not admitting those who, while they are not anarchists, do not believe in our form of government. We have a right to change our Government, but no altruistic spirit should lead us to admit those who are bent on changing our form at the first opportunity. I recognize that there is agitation in favor of vast Federal contributions to education. The Federal Government can not afford, however, to meet expenses which the States should meet. It is not only bad economically but fundamentally. We have promised the people a return to constitutional government and we should be true to our promise. Encroachment on State rights should stop. There is much we can do in our field; that is, in the field of immigration. We must be more careful than ever that undesirables be excluded, and we must consider the subject not only from the political aspect but also from the economic and intellectual. We must

be just to ourselves, to capital, to labor, and to the schools. Too great a task can not and should not be placed on the schools. It is simply suicidal to admit immigrants faster than the schools can assimilate them, and the subject of assimilation should receive most careful study.

Some of the cities in my State can not get enough teachers and sufficient school facilities to take care of the increasing population. When we realize that that condition exists practically all over the country, we can readily appreciate that it is one of the important problems that must be considered, as well as the question of immigration.

I feel quite sure that many are very anxious to have unskilled labor without limit enter the country. Such unskilled labor may cause a reduction in wages and also a reduction in the cost of living, but if we can not assimilate them, and if many of them, as I suspect, have no regard for any government, they will ultimately, instead of proving an asset, prove a menace.

The subject must be studied carefully and should not be put lightly aside. Self-preservation is the first law of nature, and we should look to the self-preservation of our children, as well as to that of the present generation. We do not want the country to totter 20 years from now, even though at the present moment the cause of such tottering might appear to be beneficial to capital and incidentally reduce the cost of living of all. Better to let the cost of living stay a little higher than to introduce poison.

The farmers of the country, having seen their land values and the market figures of their wheat and other produce go to unprecedented figures, are dissatisfied with falling prices and want something done to put a stop to the decline. I have hearty sympathy with the cultivator of the soil who wrested his crop out of toil and worry and at high costs and then sees himself facing loss. But the farmer is suffering a decline in price as likewise are the manufacturer and other producers of raw and finished material. He must not ask Congress to keep up his prices and demand that the price of the articles he has had to buy be brought down. Nor should he in his discouragement at the falling prices for foodstuffs seek to do away with boards of trade and cotton exchanges because of a belief that they are entirely the cause of his distress. Yet these exchanges should, through regulation, be confined to the useful functions of distribution and exchange and not as agencies to exploit the product of the farmers' toil by gambling in futures and cornering the market for foodstuffs. The farmer must be protected against these uneconomic practices.

Everything must be done to stimulate the farming industry and encourage our farmers to continue production. Much has been done in this direction. They have the parcels post, rural free delivery, farm loan banks, better roads, and telephones. Life on the farm is much more livable than formerly. Our American farmers have enjoyed during the period since the World War in 1914 a greater prosperity than ever before. But they have had a serious setback. By wise governmental policies this temporary setback can be overcome. We must at all hazards maintain healthy prosperity, but not by keeping up fictitious prices created during a time of greatest demand and during a saturnalia of inflation. We should protect farmers and their standard of living by a tariff which will keep out foreign products grown under cheaper conditions, and this should be done at once. And then we should work out a national policy of benefit to the farmers generally, north and south. When the McKinley administration came into power in 1897, Secretary of Agriculture Wilson conceived the idea of bringing from abroad everything grown there and cultivating it here so that we might in any emergency be self-sustaining. As the result of that policy we have our navel oranges; our beet-sugar industry, producing a billion pounds annually; our rice industry, producing enormous quantities annually in Louisiana and Texas; and our date industry in the Southwest.

What the farmers now need is to be guided further in every improvement possible in the raising of their crops, to be assisted in marketing, to be protected from foreign competition in our own market, and to make it easier for them to finance themselves. We already have the farm loan bank. This should be supplemented by the home loan bank and by long and short term credits through extension of the warehouse act, so that they may be enabled to realize sooner on their crop by being able to borrow further after warehousing their product, their paper being consolidated through a general system provided but not supported by the Government. Dairy and other farming of a certain kind, such as found in New Jersey, should be standardized, such as the citrus-fruit industry in California. Cooperative marketing like that of the dairy farmers of New York State should be encouraged. This

enables them to do away with the middle man to an extent which redounds to their benefit. Waste in production and marketing should be eliminated. Last year \$3,000,000 was lost by the apple shippers of the Northwest in transit on the railroads. Preventable losses in cotton marketing are estimated at \$50,000,000 a year and in sweet-potato growing at \$25,000,000 a year. National standards for farm products, based upon national standards of weights and measures, supplemented by Government inspection, should be adopted. The facilities for supplying the farmers everywhere with reliable market information should be extended to the utmost. What we need now more than anything else in the relation between the Department of Agriculture and the farmer is the purpose of utilizing all energy to the end of production of the highest quality as well as the utmost quantity. Our farmers must be enabled to produce at even less cost and to sell in the highest market obtainable. They should become as efficient in soil chemistry as the Germans were before the conflict.

We have another even greater problem to solve, which should not be beyond American ingenuity or the constructive genius of the Republican Party. The Department of Labor should be reorganized and socialism eliminated. The powers of the adjustment service should be extended. Encouragement should be given to the Woman's Bureau, which has for its purpose the betterment of working conditions among women in industry to the end, among other advantages, that women and men may have equal pay for equal work. It is useless to deny that we are in the midst of an at least temporarily serious industrial depression, and it will be necessary to encourage and possibly extend the United States Employment Service.

Two million wage earners are out of employment. To help offset this condition, we must enact a tariff law which will cover the difference between the cost of production here and abroad, which will not only stimulate our manufacturers but protect our labor and its standards, not forgetting to enact laws which will prevent the destruction of those industries which have been wrested from Germany and established during the war and which were nonexistent prior to the war, among which are the dye industry, the laboratory glass and surgical instrument industries. The dye industry is vitally essential from an economic standpoint, but absolutely necessary from the standpoint of national preparedness. The man or men who place obstacles in the way of supporting it and encourage domination by Germany in this field have learned no lesson of the great sacrifices we have made by being scientifically unprepared. I know of nothing more shortsighted than the present tendency on the part of many manufacturers to utilize the dull period in business to make war on the labor unions under the guise of a movement for the "open shop," wherein it means a shop closed to union organization. Labor unions have done much to bring about better hours and wages and better working conditions. Wage earners have the same right to organize for their own good as manufacturers and business men generally have to organize for their own benefit. The great body of our workmen deprecate such criminal measures as have been practiced by the I. W. W. and the Western Federation of Miners and such crooked methods as adopted by the building-trade leaders in New York City. Such menaces must be prevented, and labor unions must help to wash their hands of them. But the Republican Party when entering upon the full power of conducting the Government should remind our manufacturers that they must not judge our entire American labor movement by the hot-heads and radicals, and should likewise remind our wage earners that American business is not to be judged by the reactionaries who would entirely suppress the right of labor to organize. There is, however, a limit to which even labor organization should be allowed to go. If through the power of combination any set of men should prevent the people from having fuel or transportation; if, in order to enforce demands which an impartial tribunal created by the Government believes unfair, they imperil the safety and existence of the people at large and make starvation and freezing imminent, then the full power of the Government should be exercised to prevent them, or the Government is a failure.

There is a middle ground or method by which we may harness the vast energies of American labor and the productive might of American capital to the task of making America supreme among all the nations of the world in productive capacity. When we find that method we shall be fully prepared to lead the greatest commercial revival in history, soon to follow upon the present period of liquidation, for the energies of the earth have been quickened by war and those energies will be turned to commerce, as they always have after the period of readjustment following every war we have had. The principle of collective bargaining should be acknowledged in interstate

commerce, but unions should live up to their agreements when made. The fallacy that labor creates value and that labor is therefore entitled to the full return on the value it creates, which is the basis of most of our socialistic propaganda, should be met with education as to the real part which both labor and capital play in industry and as to the worth of initiative in our institutions. The Department of Labor should not be conducted as an adjunct of the American Federation of Labor nor as a vehicle for the views of those who favor nonunion labor entirely. It should be administered for the benefit of all our wage earners everywhere, and the Republican Party should make it its policy to so utilize it that in the four years to come it will actually better working conditions and at the same time assist in the upbuilding of the prosperity and efficiency of American industry.

While our total indebtedness is \$24,330,889,731, our Liberty and Victory bond war debt on June 30 last amounted to \$19,581,201,450. Less the \$9,445,006,855 we loaned to our foreign allies, and nevertheless owe the American people, because we borrowed it from them, we owe \$10,136,194,595. By act of Congress provision was made for payment into a sinking fund of an amount equal to the sum of 2½ per cent of the total Liberty and Victory loans, less an amount equal to the par of the obligation of foreign Governments held by the United States on July 1. By this \$235,000,000 will be paid each year and in 25 years the debt will be wiped out. This refunding provision should be so extended as to include the entire war debt.

I can not understand the methods of the Treasury Department which have permitted approximately \$1,000,000,000 due under the corporation assessment of 1917, to go uncollected and even unadjudicated to the present moment. Many of the corporations from whom this money is due will probably not be disposed to question the claim of the Government against them provided it is proven most of the arrears are the result of mistakes in making the returns. Solely through laxity and delay they have not been brought into the Treasury. Steps should be taken to enforce payment so that the statute of limitations will not relieve corporations which owe the money of paying it at all. Certainly not the least of the burdens of the war upon the American people has been incompetency.

While 500 employees of the Government in Washington have been engaged in this particular task of collection, the plain truth is that our Federal methods have not kept pace with those of private enterprise, and the salaries paid by the Government for the same sort of technical services have fallen far behind those our great corporations are in the habit of paying. Yet, I am ready to admit that the Treasury Department can not hope to compete in this respect. We can meet the problem only by a system of employing and training the best in the world of accounting, drawing them to our offices here for a few years for the sake of the certificate of experience in and approval of the Government, which would enable them to gain even larger compensation in private activity than they otherwise would receive. This is true of technical service not only in the Treasury but in all of our executive departments.

We should, it seems to me, remedy our entire present fiscal arrangements by taking the tax from small incomes, removing the surplus-profits tax and surtaxes, and at the same time by gaining more revenue by a protective tariff and by a tax on manufacturers' sales. For rendering less complicated our entire fiscal affairs the enactment of the budget system is vital.

Our Post Office Department should be overhauled and made more efficient by taking the parcel-post business from the main offices in the large cities and conducting it through warehouses or other space rented for the purpose. This is really an express business and is delaying the delivery of the regular letter mail in these offices.

For the protection of the banks and other senders of valuable mail the carrying of mail by aerial route should be stopped unless special stamps are provided and it is so designated by the sender. Congress stipulated that this be done, but the Postmaster General so construed the statute as to do the opposite of what was intended.

The Department of Commerce should become an aggressive, reliable, and efficient instrumentality for the development of trade. That is what it was intended to be, but instead it has become, so far as our foreign commerce is concerned, an adjunct of our Consular Service. It should issue exhaustive monographs on the foreign sources of markets for our goods. There should be quick general reports on this subject. It should be made the chief factor in the American trade boom of the next 10 years, which is bound to follow the present period of liquidation caused by the lack of a protective tariff, overproduction, inflation, overexpansion of credits, and overspeculation. The executive force of the department is now permeated with the



Democratic theory of tariff for revenue only. Instead, it should help to give confidence to our business world, and while we protect our producers the Department of Justice should impartially and rigorously see to it that those engaged in interstate commerce who profiteer upon the people by means of exorbitant and unreasonable prices should be apprehended and dealt with not only by adequate fine but imprisonment.

Whatever tends to the upbuilding of this America in which we live should be encouraged. My motto is "America first," and with that thought in mind I have never been able to understand why American ships should not have preference in the Panama Canal. I am not unmindful of the fact that there are other nations and that the United States is but a part of a world. We can play our part in it without entangling ourselves in the affairs of others. We can be honorable and charitable without incurring obligations which may prevent us from doing what we think is just when we are called upon for performance. We can now point out, even though we are not a member of the League of Nations, and I trust never will be a member of a league of nations political in character, that there can not be any stability in Europe until Germany is told what she owes. It is most unfortunate that any official of the United States in any way gave approval to a document which imposes economic slavery. It needs no genius to see that a nation which is not told what she owes but which is given to understand that the exactions from her will be dependent upon her ability to pay will quickly comprehend that the more she works the more she will pay, and the less she works the less she will pay. Why should any people work hard if the fruits of their labor will be taken from them, and if they can not see an end to their obligations?

I hold no brief for Germany or for France, but as a business man I can readily see that it is just as essential for a nation as it is for an individual to know what are his assets and liabilities. If France is to put her house in order, it is just as essential for her to know what are her assets as it is for Germany to know what are her liabilities. How can France ever return to a stable basis so long as she lives on hopes rather than on facts? How can Germany be expected to return to work until she is told how much of the product of her work will be taken from her? So long as there hangs over her the fear that all of the product will be taken from her, so long will the people argue, "What is the use of work?" Give Germany a goal to work for, and if it is within reason she probably will work for it. Let France know what she can count upon, and she can quickly make a budget which will be in accord with her needs and in harmony with sound business. I hope, therefore, that in the very near future some way will be found of pointing out in a friendly way and as a sound business proposition to both France and Germany the necessity that the former should know as soon as possible what she will receive from Germany and that Germany will know as soon as possible what she must pay.

As for the League of Nations, if I understand the recent election, it was rejected by the people of the United States, and if we are true to the people we can not enter it.

We read much in the newspapers about an association of nations, and, indeed, one may be formed, but I am very skeptical that any association of nations can be created which we can enter without losing our independence, our influence, and our sovereignty. I am extremely doubtful whether we can enter a partnership with other nations whose principles of government are antithetical to our own. To do so and preserve our own form of government will challenge the wisdom of the greatest statesmen of the age. Will an association of nations induce Europe to disarm if we do? It is useless to enter into a game of diplomacy wherein the cards are stacked against us. Will such an association of nations prevent the members from taking commercial and financial advantage of us when they have a majority of votes? Will an association of nations prevent the members from transferring their debts to the taxpayers of this country? Will an association of nations, controlled by the great powers, lift the yoke of slavery from subject peoples, or will we unwittingly become slaveholders again?

I must be convinced that such an association of nations can be shaped without impairing our form of government. I have given much thought to the subject and feel that we can not join such an association, for the following reasons:

We hold that all governments derive their just powers from the consent of the governed. I do not desire to see the United States enter into any league with foreign powers which would even tend to withhold from them the eventual accomplishment of that right. We also consider it self-evident that church and state should be separated, each performing its function for the good of all when apart and both suffering when either seeks to control the other. We have enjoyed the blessings of this separation so long that we hardly give it a second thought. Yet

this principle does not prevail in the States which are members of the league now assembled at Geneva. We stated in the Declaration of Independence, we provided in our Constitution, we fought through four long years, because we believed that all men are created equal in opportunity and under the law. Why should we minimize that principle by allegiance to a league which does not guarantee it? We hold that a republican form of government, based upon equality of representation and universal suffrage for all men and women, without restriction as to wealth, creed, or color, based upon a system of checks and balances between the legislative, judicial, and executive branches so that no man or set of men may obtain and keep arbitrary power, is the best form of government in the world.

The present League of Nations does not even mention these principles. It sets forth in no glorious preamble to an immortal document that these God-given principles are for all men for all time. Yet our fathers died for these principles. They left the Old World and founded this Nation in the new in order that those principles might be established and preserved. They held them dearer than peace, dearer than life without them, and so they fought and died for them. We have been told that the league will assure permanent peace, as though that in itself were to be sought for above every other good. I do not believe this, and I am of the opinion that it will do the opposite. But even if it were true, I should be as bitterly opposed to it, unless it assured a peace which would perpetuate everywhere the ideals upon which America was founded.

It may be that some day we shall have a federation of the world, wherein every people shall express itself in a republic after every king and empire has passed away. That may be centuries hence.

In the meantime America should stand alone, if need be, and stand eternally for the principles upon which our Government is founded, stand as a beacon to the peoples of the earth to show what those who follow those principles may become. Liberty can not, must not, be compromised. A majority of 7,000,000 in this land has declared that it must not.

Mr. President, the new Republican administration of President HARRING, supported by a majority of 22 in the Senate and 170 in the House, and upheld by such an enormous popular majority, has before it a task unequalled in our generation and perhaps in the history of the Government. So well-nigh unanimous has been the voice of the electorate that it may be said without fear of serious contradiction that the Republican Party has received a mandate not only to reconstruct the executive departments and our entire governmental administration upon a more businesslike and efficient basis, but to so revise the laws as to make them harmonize with the foreign and domestic needs of a country which has grown tired of arbitrary impediments to commerce and to the free expression of its intelligence, and, above all, a mandate to maintain our position as the first Nation of the world.

#### SETTLEMENT OF WAR LOANS.

Mr. McKELLAR. Mr. President, on December 10 I introduced a joint resolution with reference to our debts from foreign countries. The joint resolution is as follows:

Joint resolution (S. J. Res. 221) instructing the Secretary of the Treasury as to settlement of war loans.

*Resolved, etc.,* That the Secretary of the Treasury be, and is hereby, directed and instructed at the earliest practicable moment to secure from the several foreign governments, namely, Belgium, Cuba, Czechoslovakia, France, Great Britain, Greece, Italy, Liberia, Rumania, and Serbia, to which Governments moneys were loaned by the United States under and by virtue of the several war emergency acts of the Congress passed in the years 1917 and 1918, long-time interest-bearing bonds of such Governments for the moneys loaned under the said acts, the interest on such bonds to be paid semiannually at a rate not less than 5 per cent; that in making settlements with the several foreign Governments the Secretary of the Treasury is hereby authorized and directed to take interest-bearing bonds for past-due interest on said loans and the future interest up to November 15, 1921, such bonds to be of like tenor and effect as the bonds for the principal loaned to said Governments, and the interest thereon to be paid semiannually in like manner; that said bonds thus taken on account of past-due interest and interest up to November 15, 1921, shall be set aside and kept separate and apart, and may be used as a fund with which to pay any sums that Congress may hereafter determine, should it at any time so determine, shall be paid to soldiers, sailors, and marines in the late War with Germany; that no steps be taken at the present time in reference to any sums loaned to Russia; and that on and after November 21, 1921, interest on all of said indebtednesses shall be collected, as and when the same falls due, it being the sense of the Congress that by said date, four or more years having thus passed since said loans were made, enough time will have elapsed for said Governments to have readjusted their financial obligations, and that in equity and good conscience they should begin paying regularly interest on said loans advanced to them by the United States for the protection and defense and sustenance of their Governments and their peoples.

These debts as shown by the last report of the Secretary of the Treasury are as follows:

Countries:	Credits established, net.
Belgium.....	\$349,214,467.89
Cuba.....	10,000,000.00
Czechoslovakia.....	67,329,041.10
France.....	3,147,974,777.24
Great Britain.....	4,277,000,000.00
Greece.....	48,236,629.05
Italy.....	1,666,260,179.72
Liberia.....	5,000,000.00
Roumania.....	25,000,000.00
Russia.....	187,729,750.00
Serbia.....	26,780,465.56

9,710,525,310.56

Of the foregoing advances there have been repaid up to November 15, 1920, by—

British Government.....	\$80,181,641.56
French Government.....	31,449,357.55
Roumanian Government.....	1,794,180.48
Serbian Government.....	605,326.34
Cuban Government.....	500,000.00
Belgian Government.....	10,000.00

Leaving a balance due the United States of \$9,595,984,804.69.

The Secretary in his report, on pages 53 and following, describes in some detail the status of these loans. Among other things, he says:

For these advances the Treasury holds obligations in the form of certificates of indebtedness to the United States, payable as to principal and interest, without deduction for taxes of the debtor Government, in gold coin of the United States of the present standard of weight and fineness at the Subtreasury of the United States in New York or at the Treasury of the United States in Washington. Certain of them, at the option of the holder, are payable in the money of the debtor country, some at a fixed rate, and others at the buying rate for cable transfers of the currency of the debtor country in the New York market at noon on the day of demand as determined by the Federal reserve bank of New York. The certificates of indebtedness are signed in the name of the respective debtor Governments by representatives of such Governments designated to the Treasury by the Department of State as being authorized to sign them in the name and on behalf of the respective Governments.

The earlier certificates were payable at fixed dates of maturity, all of which are now past, so that they are now held as demand obligations. They bore interest at various rates of interest from 3 per cent per annum upward. Those subsequently taken are payable on demand and bear interest at the rate of 5 per cent. By arrangement with the respective Governments substantially all the obligations have since May 15, 1918, borne interest at the rate of 5 per cent. The certificates of indebtedness are receivable in payment for bonds of the debtor Government or else are convertible into bonds in conformity with the provisions of the various Liberty bond acts in effect at the respective dates of the certificates of indebtedness.

As to interest collections the report further says:

To and including November, 1918, the dates for the collection of interest from foreign Governments were May 15 and November 15. In the spring of 1919 the respective Governments were informed that it would be convenient for the Treasury to receive semiannual payments of interest on April 15 and on October 15 on approximately two-thirds of their respective obligations, and on May 15 and November 15 on the remainder. The full amount of interest due up to April 15, 1919, or May 15, 1919, was, except in the case of Russia, paid in cash on all these loans. To the extent that such interest was not paid from other resources of the foreign Governments concerned it was paid from the proceeds of loans made by the United States Government. All interest on the debts of Cuba and Greece was paid as it became due.

The following is an itemized statement showing the amount of interest heretofore paid by each of the foreign Governments on advances made to it by the United States Treasury:

Belgium.....	\$10,907,281.55
Cuba.....	1,136,865.47
Czechoslovakia Republic.....	304,178.09
France.....	128,140,816.48
Great Britain.....	233,357,185.50
Greece.....	409,153.34
Italy.....	57,598,852.62
Liberia.....	161.10
Roumania.....	263,313.74
Russia.....	4,595,564.15
Serbia.....	636,059.14
Total.....	437,349,431.18

The amount paid on Russian obligations represents the interest up to November 15, 1917, in full, together with a partial payment of \$1,865,925.08 on account of the interest which became due May 15, 1918, and partial payments of \$1,399,877.43 on account of the interest which became due November 15, 1918. That paid by the Governments of Greece and Cuba includes interest paid up to October 15, 1920, and November 15, 1920, respectively. The amount paid by the French Government includes interest amounting to \$1,810,441.50 to July 31, 1919, on an obligation dated January 28, 1919, and also interest accrued after April 15, 1919, on \$19,302,357.55 principal subsequently repaid by the French Government in connection with the adjustment of accounts. The sum paid by the British Government includes \$2,244,778.59 interest accrued after May 15, 1919, on \$80,181,641.56 principal subsequently repaid by the British Government in connection with the adjustment of accounts, and that paid by Roumania includes a partial payment of \$154,409.63 on account of interest accrued to October 15, 1919.

The Secretary of the Treasury holds a special fund of \$1,808,506, which is equal to the unpaid balance of the interest which became due on Russian obligations on May 15, 1918. It is believed that ultimately this can be applied in discharge of this balance. A similar fund of \$335,095.07 is held, which it is believed will be applicable upon the unpaid balance of the interest which became due November 15, 1918, on the Russian account. The interest accrued and remaining unpaid on Russian obligations, after deducting these special funds, for

the half year ending November 15, 1918, is \$2,994,025.10, and for the half years ending April 15, 1919, and May 15, 1919, is \$4,101,107.50.

The interest due and unpaid is as follows:

The interest accrued and remaining unpaid on obligations of foreign Governments purchased by the Treasury under the Liberty bond acts for the half years ending, respectively, October 15, 1919, and November 15, 1919, April 15, 1920, and May 15, 1920, and October 15, 1920, and November 15, 1920, is as follows:

Countries.	Oct. 15 and Nov. 15, 1919.	Apr. 15 and May 15, 1920.	Oct. 15 and Nov. 15, 1920.	Total.
Belgium.....	\$8,330,832.65	\$8,468,375.00	\$8,539,887.75	\$25,339,095.40
Czechoslovakia.....	1,164,422.14	1,354,134.64	1,478,333.35	3,996,890.13
France.....	65,669,500.12	72,218,078.80	73,637,124.10	211,524,703.02
Great Britain.....	104,741,907.05	101,920,458.96	101,920,458.96	314,582,824.97
Italy.....	39,050,152.83	40,442,845.74	40,765,715.11	120,258,713.68
Liberia.....	323.69	640.16	650.00	1,618.85
Roumania.....	382,818.09	625,000.00	597,302.95	1,605,121.04
Russia.....	4,713,366.30	4,685,999.25	4,693,243.75	14,092,609.30
Serbia.....	669,258.13	669,511.64	659,230.96	1,998,000.73
	224,722,586.00	233,385,044.19	235,291,946.93	693,399,577.12
Add balance (in excess of special funds above mentioned) of interest accrued and remaining unpaid on Russian obligations for half year ending Nov. 15, 1918, and half years ending Apr. 15, 1919, and May 15, 1919.....				7,065,132.60
Total.....				700,464,709.72

The figures that the Secretary of the Treasury gives us in his report are clear enough. We learn how much each Government owes, how much has been repaid, and how much interest is due, but the remainder of the report is very confusing. It is not a clear report. An examination of the several acts of Congress under which these loans were made makes it clear that it was the intent of Congress that interest-bearing bonds, running not longer than the bonds of the United States, should be taken as evidence of the several loans in return for same, but the Secretary reports on page 56 that the Secretary of the Treasury took certificates convertible into bonds "if requested by the Secretary of the Treasury of the United States."

My own interpretation of the several acts of Congress under which these loans were authorized is that it was the duty of the Secretary of the Treasury, and is his duty now, to convert these certificates into long-time bonds. It is true that the Secretary says that he is opposed to canceling the debts, but his statement on this subject is somewhat vague and indefinite, and at the end of it he tells what the "reasonable and proper course" would be, but gives no reason why he has not carried out this "reasonable and proper course." I quote from his conclusion on this subject:

The indebtedness incurred by the United States to make the foreign loans is not cared for by the sinking fund. Congress contemplated that foreign repayments would provide for that part of our debt. Of late there has been no little discussion as to how this foreign debt should be treated. Some advance the proposal that it should be canceled. This is a favorite plan of some Europeans and some Americans. The suggestion is based first on one ground and then on another. At one time it is based on sentiment or on considerations of generosity. By some it is based on the contention that it will promote peace. It apparently is assumed that antagonisms will be set up if the nations of Europe are asked to repay the loans which they sought and so gladly received. At another time it is based on consideration for present producing interests. Voices are heard representing that it will ruin the trade of America if Europe is to send us her commodities for what she owes us. Apparently these advocates contend that international trade will be profitable provided only we give to the world what we produce, declining to receive any commodities in return. I imagine neither of these suggestions will be received with favor by the American taxpayers. They will realize that if the debts are canceled they must pay taxes to meet the interest and to redeem the principal of \$10,000,000,000. Another suggestion is that the demand notes now held by the Government shall be funded into bonds bearing a higher rate of interest which the debtor nations will consent to exchange for the outstanding bonds, and that a direct relation be set up between those who consent to receive such bonds in this country and the foreign debtors, although it is proposed that this Government guarantee the bonds. No evidence is furnished that debtor nations would be willing to assent to the creation of a bonded debt with a higher rate of interest with obligation for the immediate payment of interest; and there is nothing in existing law which warrants such a transaction. They should not be charged interest at a rate exceeding the cost to our Government of the money borrowed from our people to lend to them. The advances made by the United States to the Allies began only at the time of our entry into the war. For substantially a year we had no considerable military forces in Europe and we were lending the money needed to supply the part purchased from our people of the materials necessary for the armies of the Allies, who were holding the Germans in the meantime. If in April, 1917, we had had a vast Army in Europe there would have been no considerable loans to the Allies for purchases of war material in this country, since our own armies would have needed all the munitions this country could have produced. In the circumstances we must deal with the debts of the allied governments in a spirit of fairness. The suggestion that we should throw them upon the market appears to me to be as fatuous and impracticable as either of the other suggestions.



Mr. KING. Mr. President, does the report of the Secretary of the Treasury indicate that no bonds from these debtor nations have been turned over by them to our Government?

Mr. McKELLAR. They have given us certificates of indebtedness, now all past due, according to the report.

Mr. KING. Why has he not converted those certificates into bonds, as the law under which the loans were made seems to contemplate?

Mr. McKELLAR. That is the purpose of my remarks, and if the Senator will just wait a moment I think he will see fully my view about it.

#### PRESENT CONDITION OF DEBTS UNBUSINESSLIKE.

Mr. President, it is wholly unbusinesslike for these debts to remain in their present nebulous state. We should have a definite understanding with our friends to whom we loaned this money. We should require the payment of the current interest as and when it falls due at the earliest date possible. Apparently interest was paid until 1919 and then discontinued. I say apparently, because the report of the Secretary is indefinite on this subject. It does not say whether payments were discontinued at the request of our Government or at the requests of the debtor Governments, or whether payments were just discontinued without discussion at all. It does not say that our Government tried to collect and could not. The American people should know why these interest payments were made up until 1919, after the war was over, and then suddenly discontinued.

Mr. SMOOT. I think I can tell the Senator how those payments have been made. There has been no payment made by any foreign country other than through the settlement of balances of trade between the two countries. No foreign country has sent to us gold to pay us on their obligations, but the payments, the Senator will find in the Secretary's report, are payments of debts that were due America in the settlement of the balances of trade between the two countries. That is why some countries have not paid a thing, and others have.

Mr. McKELLAR. I assume that is correct, although the report of the Secretary does not say so, and I think it should say so; and I think the Secretary should furnish us with definite information about the matter.

Mr. KING. I think also, supplementing what my colleague has said, some interest was paid out of loans which we made them. They never paid any interest directly, but they utilized some of the loans which were made to credit their interest account.

Mr. McKELLAR. That may be possible, but it is not disclosed by the report of the Secretary.

There is now due on the principal more than nine and a half billions of dollars. There is likewise more than seven hundred million dollars of past due interest, according to this report of the Secretary. Why the payments of interest were discontinued is a most important matter.

#### THESE DEBTS SHOULD NOT BE CANCELED.

It has been suggested by some that these debts should be canceled by our Government. I have no sympathy with such a view. I do not believe that any of these foreign Governments would suggest such a proposition. By reason of these loans and our own active participation in the war Great Britain has not only preserved herself and retained her vast commerce, her vast navy, her merchant marine, but has also added untold territory and wealth to her domains. The same is relatively true of France and Italy. In addition, all these nations have the obligations of Germany and Austria for tremendous sums in reparation. In a smaller way this applies to all the other nations involved, except perhaps Cuba and Liberia. Czechoslovakia sprang up after the war, Minerva-like, as a full-grown nation, and all because of America's participation in the war and America's financing of her Government after the war. Belgium and Rumania were restored, largely increased in territory and indemnified. I take it that not one of these Governments would for a moment refuse to give long-term bonds for their principal and would gladly pay the interest to the Nation that furnished so large a part of the money to defend and protect them if the United States definitely told them to do so.

But it is said that we ought to cancel this debt because of what France did for us in the Revolutionary War. I acknowledge that debt to the limit, but our Government has more than paid it back. She has paid it back a thousandfold, because by the use of her money and her men she has preserved and enlarged the French Republic and saved its Government from destruction by Germany. I am reliably informed that while our Army was in France fighting for the preservation of her Government and her people we were charged for everything taken, injured, or damaged; that large rentals were charged for

all our depots and warehouses; that rentals were charged for all of our camps; that if fruit trees or other trees were destroyed or injured in battle we were charged for the damages. It has been charged that we actually paid rent for the very trenches which were used by our boys in defending France, and that she charged our soldiers one price for all goods sold them and her soldiers and her people a less price; but I am constrained to believe this is not true. It surely can not be true. Under these circumstances surely there is not even a sentimental reason why we should cancel this debt of honor that France owes us. I say these things not in condemnation of France, but in justice to America. In other words, France, having treated our aid in the war as purely a business matter, it would be unbecoming in us, as I look at it, to treat it in any other way. Indeed, we are precluded from treating it in any other way if we maintain our self-respect. In order to carry on the war we taxed our people to the limit. On the other hand, France taxed her people very lightly, comparatively speaking. For these reasons it seems to me that nothing but a maudlin sentimentality would suggest the cancellation of these debts. The French people are not taxed as heavily as the American people are to-day. Our own people are standing a burden of taxation greater than taxation in France because of this war. She, too, is spending tremendous sums on her army and navy; she has received back Alsace and Lorraine. She has received tremendous reparation obligations from Germany, and there is no reason why she should not also pay these debts that she owes us.

Again, it is said that we ought to cancel this debt due us by Great Britain because of the great expense that the war has been to Great Britain; that she bore the financial burden of the war up until the time we went into it; that we are kinspeople, and that we ought to contribute the sum that England owes us, being the sum of four and a quarter billion dollars, for the help of our kinsmen. However, Great Britain did not treat us exactly this way. Naturally, she did everything possible to get us into the war. She was intensely desirous of having our aid. At the same time, after we declared war she charged us a very large price and wanted to charge us a much larger price for every soldier that she transported across the ocean in her defense. She charged us high rates for every ton of freight carried to maintain our armies. In other words, she treated us in a business way, and her ships made enormous profits out of our participation in the war. When our troops landed in England we likewise had to pay for camps and fields. While the war was on she was greatly interested in our building up a merchant marine so that we could supply our armies and hers with American goods, but as soon as the war was over she went into a trade war with us and a rate war, and that trade and rate war has been going on ever since, and it is perfectly plain that she intends, if possible, to compel our merchant marine, as a world carrying merchant marine, to leave the seas. I am reliably informed that to-day the most active kind of rate war is going on between our merchant marine and England's, and all the time that this is going on England is being aided, in part, by the \$200,000,000 in annual interest that she is withholding upon these debts. At the same time she is adding tremendously to her merchant marine and to her navy.

Another reason why the loan of Great Britain especially should be collected and the interest promptly paid is the attitude of Great Britain on the subject of oil. It must be remembered that it was American oil that gave the English Navy such a tremendous advantage in the war with Germany. England could not have maintained herself without this oil supply. The United States has provided no restrictions upon her acquiring oil in the United States. Her nationals are permitted to buy such oil fields as they desire on equal terms with Americans. Now, what is England's attitude toward us? It is directly the contrary. She debars foreigners from owning or operating oil-producing properties in the British Isles, colonies, and protectorates. She denies foreigners' participation, ownership, and control of petroleum companies. She denies to British oil companies the right of selling their properties to foreign owned or controlled companies. She prohibits the transfers of British oil companies' stock to other than British subjects or nationals. She controls the tremendous oil fields of Persia and will not permit Americans to purchase oil lands there. Since the armistice she has denied to American vessels the right to obtain oil from British stations.

By the recent San Remo agreement she and France divided the oil interests of Mesopotamia, she to get 75 per cent and France to get 25 per cent. America is excluded. When we remember that naval vessels propelled by the use of oil are 3 or 4 knots per hour faster than the coal-propelled vessels, and when we remember that naval vessels and merchant marine can take

supplies of oil anywhere on the seas, it is easy to see what this policy of England means. And yet we are aiding Great Britain in all of these designs by releasing her, temporarily at least, from the payment of \$200,000,000 per year interest that she owes us.

Under these circumstances, as it seems to me, it would be idiocy on our part to cancel these very just debts. I say these things not in criticism of Great Britain but in justice to America. Great Britain is treating the matter as a business matter. She is treating her relations with America as business relations. She is doing everything possible to obtain and control the world's trade. She does not want America as a rival on the seas. On the other hand, every thoughtful American must know that our merchant marine must be built up if we are to retain our place as a world power and if we are to distribute our products in the markets of the world. It is a matter of business, not a matter of sentiment, and these enormous loans by us to Great Britain should not be dealt with in the manner in which apparently our Government is dealing with them.

#### INTEREST ON THESE LOANS.

The next question is, Should the interest be paid? The Secretary of the Treasury in his report says:

The reasonable and proper course is to proceed under the terms of existing law which authorized the Secretary of the Treasury to fund the demand notes into obligations with a distant maturity at a rate of interest at least equivalent to that borne by our own bonds, coupled with authority for the time being to defer interest payments.

The italics are mine.

The Secretary of the Treasury needs no new authority to fund this indebtedness into long-time bonds. He was directed to do that in the four acts of Congress which authorized these loans. He should not have the authority to defer interest payments. The interest payments should be made as and when due. In order that no injustice may be done, the resolution that I have introduced provides that the past due interest and future interest up until November 15, 1921, be funded into bonds and that thereafter interest shall be paid in advance when due. If a settlement fixing an earlier date than November 15, 1921, can be had, it should be done by all means. This is giving the several Governments ample time in which to make their arrangements to pay this interest. This interest will amount, annually, to not less than \$500,000,000. The Secretary of the Treasury should not be given authority to defer these payments. The law requires him to collect them. Apparently he has made no effort to collect interest on these obligations. If he has made such efforts, he does not say so in his report. It is not within his powers to disregard the law and make an appeal to Congress to change it to accord to his views or to give him power to suspend it at will. I do not understand why these long-term bonds have not been secured before. I surely do not understand why the Secretary of the Treasury has failed to collect interest on the loans. He does not state by what arrangements it was suspended, if any, or whether it was just a clear case of default. That information should be given to Congress.

Mr. President, our tax burdens are heavy. We need this \$500,000,000 per year. If it were collected, we could raise the exemptions on incomes from \$1,000 on single persons and \$2,000 on married persons to \$3,000 on single persons and \$4,000 on married persons, and have a surplus of \$300,000,000, or we could reduce the excess-profits tax nearly one-half, or we could remove all of the petty annoying sales taxes and other small taxes that are trying upon the people and still have a surplus.

Again, it is claimed that these nations are not able to pay the interest. I call attention to the fact that after the war was over the United States sold surplus war supplies to Belgium, in round numbers, \$27,000,000; to Czechoslovakia, \$20,000,000; Estonia, \$12,000,000; France, \$400,000,000; Latvia, \$2,500,000; Lithuania, \$4,000,000; Poland, \$57,000,000; Rumania, \$12,000,000; Russia, \$406,000; Serbs, Croats, and Slovenes, \$25,000,000; in all, \$563,000,000. Interest has been very generally paid on these sums, according to the Secretary's report. But on the war loans it has been suspended, indicating apparently that there is some belief on their part that it will not be collected.

That England is able to pay the interest on her obligations there can be no doubt. It has not been long since she advanced \$50,000,000 to Argentina, of course, with a view of better commercial and trade relations with Argentina; and I have been informed that she has advanced Germany large sums with a like view. She is spending an enormous sum in building and maintaining her merchant marine and building and maintaining her navy, and surely under such circumstances there can be no question about her ability and willingness to pay. For the fiscal year ending March 31, 1920, she spent on her navy \$765,586,080 and on her army the stupendous sum of \$1,968,300,000, and yet she ignores her debt of \$200,000,000 per year to us.

The Senator from New Jersey [Mr. FRELINGHUYSEN] was talking a while ago about disarmament. I noticed in the papers yesterday that Lloyd-George was talking about disarmament. These figures do not sound much like disarmament. Seven hundred and sixty-five million dollars for a navy. That is half as much again as America spent on her Navy during the present year. Talk about our outstripping England in naval building by 1923! How can it be thought of for a moment in view of these figures? Seven hundred and sixty-five million dollars for her navy last year and about \$2,000,000,000 for her army. It is a subterfuge when they talk about disarmament, when the appropriations reach the enormous sums that are here shown.

Mr. KING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Utah?

Mr. McKELLAR. In just a moment I will yield to the Senator.

It is a most surprising thing that a great nation like England has defaulted on her interest for loans that have been made to protect her empire. It is almost unbelievable that she had let her interest go by default. The same is relatively true of France. In any event, an annual income from this source of \$500,000,000 would lessen the tax burdens of the American people to a very great extent.

I now yield to the Senator from Utah.

Mr. KING. I think it is due to Great Britain to state that she has signified her desire to reduce her armament and also to reduce her army. But the Senator must keep in mind the fact that since the armistice Great Britain and France both have been compelled to maintain very large armies. I am not justifying Great Britain's conduct by any means; but the Senator will remember that she has been compelled upon a number of fronts to maintain a very large military force. France and England to-day are maintaining military forces in Germany, in Silesia, and in other parts where, under the Versailles treaty, the obligation would rest upon them or upon the Allies so to do.

I think the Senator's figures with respect to the amount expended by Great Britain for her navy for one year are rather excessive.

Mr. McKELLAR. I got them from the RECORD. I had them verified by the librarian. The figures of \$765,000,000 for a navy in her last fiscal year are verified by me by sending to the library and having the figures verified there from figures in the possession of the library. There can not be any doubt about that amount having been expended.

That does not look to me like disarmament; and I will say that any nation that can spend \$765,000,000 for her navy just after the war through which England has gone is able to pay the interest on her debts due us for the protection of her empire.

Mr. KING. If the Senator will pardon me, I think that a portion of that amount was to meet obligations theretofore incurred rather than to aid in the construction of new vessels. I think the Senator will find upon investigation that the amount actually devoted to new vessels, either of the capital-ship type or even down to the smallest type, will not amount to the sum which the Senator states.

Mr. McKELLAR. I give the figures as contained in the law passed by Parliament; that is, I am informed by experts at the library that that is true. They show the actual appropriations and exactly how they were to be expended. I do not know but \$765,000,000 for a navy in peace time is a very considerable sum, and no nation ought to plead poverty that has the money to spend that much upon a navy.

Mr. SHEPPARD. Mr. President—

Mr. McKELLAR. I yield to the Senator from Texas.

Mr. SHEPPARD. Is the British fiscal year the same as our fiscal year or does it correspond with the calendar year?

Mr. McKELLAR. The British fiscal year ends on March 31 and ours ends on June 30. That is the difference in the fiscal years.

Mr. President, I go one step further. On pages 44, 45, and 46 of his report the Secretary of the Treasury sets out for the information of Congress sources of about \$2,000,000,000 in additional taxation, composed largely of increases on income tax, corporation tax, and various other kinds of taxes. Evidently it was in the mind of the Secretary that because of decreased business and the accompanying decreased incomes that the Government would not derive as much taxes the next year as it is deriving now, and he therefore suggests these sources of increasing our taxation. Our taxation should not be increased a dollar, and it will not be necessary to increase it if we collect this interest on our foreign notes, even though we do not collect as much from excess profits and incomes. We should



cut down the expenses of Government and decrease the taxes, rather than increase them. We should make every edge cut, so to speak. We should trim every appropriation bill. It is monstrous to talk about increasing the present burdensome rate of taxation. It is a pity that the Secretary did not devote more time to informing Congress how we could collect the money due us rather than seeking out additional sources of taxation.

Mr. President, although our taxes are burdensome in the extreme, the fiscal agent of the Government now comes along and hands us a list showing how we can raise \$2,000,000,000 more from the people. Hardly a passing thought is given to the question of how we can collect the \$500,000,000 that is due us. If we had the current interest paid to us as and when due, of course, even if our Republican friends are more extravagant than we have been, we should still have the money with which to pay without increasing the taxes.

Mr. SMOOT. It will be impossible for the Republican administration to be more extravagant than the Democratic administration has been.

Mr. McKELLAR. It may be impossible. I hope they will cut down the appropriations, but I say that it is more likely, unless these honest debts are paid, they will have to increase the taxes, even as the Republican majority are now undertaking to increase our taxes. Of course, an increase in the tariff means an addition to the burden of taxation borne by the American people. It is just another form of taxation; it is just another source of taxation that the Secretary of the Treasury omitted, and will probably result in an addition of \$500,000,000, or even more than that. But why do that, when we have this money honestly and justly and fairly due us?

Mr. President, I do not know how far the propaganda in favor of canceling the foreign debt or canceling the interest on that debt is going. Much has been said about a bonus to our soldiers. The Secretary of the Treasury said it is impossible to pay a cash bonus at this time. I do not know what our Republican friends are going to do about that. I do not know whether they are going to pay soldiers a cash bonus or not. As they are in charge of the Government, they can do so if they will or not do so, just as they see fit.

Mr. SHEPPARD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Texas?

Mr. McKELLAR. I yield.

Mr. SHEPPARD. Will the Senator tell us who it is who has suggested the cancellation of the debts of foreign countries to the United States?

Mr. McKELLAR. The Secretary of the Treasury in his report states it has been suggested that it ought to be done, and there exists the remarkable situation where no one is trying to collect the debt, which makes it seem that some such course is extremely probable.

#### PAST DUE INTEREST TO SOLDIERS.

Mr. President, the House of Representatives has passed a bill giving to the soldiers of the late war a bonus amounting, it is estimated, to something like a billion and a half dollars. The Secretary of the Treasury has stated that it will be impossible for the Treasury to furnish this amount; that if we issue bonds for the amount, it will be difficult to sell them; that the finances of the country will be very much endangered if we undertook to pay this very considerable sum in cash to our former soldiers. This bonus bill has not been reported in the Senate yet, but it will unquestionably be reported, and no doubt it will be reported favorably, and no doubt it will pass this body and become the law—either that bill or some bill of like character.

In the resolution which I have offered the Secretary of the Treasury is directed to fund into interest-bearing bonds the past due interest, due from foreign governments, as of date November 15, 1921. At that time the past due interest will amount to something like \$1,200,000,000. There is no reason why these bonds for the past due interest should not be taken and delivered to these soldiers in proper proportion. If this were done it would relieve the Treasury of the immense burden which would be placed upon it by directing a cash bonus. The taxpayers of the country would not object if this portion of the indebtedness due us by foreign governments should be paid to the soldiers. It would be very fair that this portion of such indebtedness be paid to the soldiers directly in view of the fact that these soldiers defended and protected the very governments which issued the bonds. It may be that our Government would have to guarantee these bonds; but at all events, to my mind it is the fairest and best method at this time of paying the soldiers a bonus. I take it that the foreign governments will be, indeed, glad to know that a portion of their bonds were to be used in this way. It would relieve the Government. It would

relieve the taxpayers, and be the least objectionable way of paying a very just debt.

In addition to the foregoing if the soldiers themselves throughout the country are interested in the collection in part of these foreign debts there is not likely to arise any sentiment in this country that will cause the cancellation of these just obligations. Insidious propaganda has been started looking to the cancellation of this indebtedness. The soldiers of the country having an interest in the bonds would not countenance this propaganda. If we are to pay a bonus, and I think it is generally agreed by a great many of our people that we should pay a bonus, this seems to be the least burdensome way of paying it, and in addition, it is manifestly a fair way to pay it; it being remembered that we get no reparations and no indemnities from any of the Central Powers.

Mr. KING. Mr. President, I should like to say in reply to one observation which was made by the Senator from Tennessee, that if there is any propaganda looking to the cancellation of the debts due by our allies and other nations to the United States I have not learned of it. I have not received a single letter or suggestion from any source favoring that proposition, nor have I seen any publications which advocated such a course. I do not believe that there is any sentiment in the United States in favor of canceling the debts which our allies owe the United States, and I do not think that those nations desire it.

If the Secretary of the Treasury has made an observation upon that matter I think it grows out of rumor, and perhaps some irrelevant and impertinent statements made by thoughtless or hysterical persons, whose utterances are of but slight consequence. I do not think that we need have any apprehension in regard to appeals being made by European nations to cancel the obligations which they owe the United States.

Mr. McKELLAR. Then, if I understand the Senator, he thinks that these debts ought not to be canceled and that we ought to collect interest at the earliest possible moment?

Mr. KING. I agree most heartily with the Senator that we should collect the amounts due as soon as our allies can pay them. However, we can not close our eyes to the chaotic situation in Europe and to the financial collapse of many of our debtors. Europe is practically bankrupt, and we have been urged to legislate to enable the people of Europe to purchase our surplus products. The war finance bill which we passed a day or so ago recognized the distress of Europe and sought to provide a means by which our products could be sold in Europe. It would be absolutely impossible for us to collect anything from Russia, with Lenin and Trotsky and the soviet government in control; indeed, they have repudiated the obligations of Russia to the United States. I have no doubt that when in Russia a government representing the people is established and begins to function, Russia will promptly acknowledge her obligations to the United States and will take steps to meet them at the earliest date possible.

Mr. McKELLAR. I will say to the Senator that in the resolution that I have offered, which I trust he will read with care to-morrow, the debt due from Russia is specifically excepted from any action at this time. I understand that situation; but the debt of Russia amounts only to the pitiful sum, comparatively speaking, of \$187,000,000, which is not very much in comparison with the \$10,000,000,000 due us from the other countries.

I think the Senator will agree with me that any nation that is able to appropriate for her army practically \$2,000,000,000 in one year and for her navy \$765,000,000 in one year should be able to pay interest on her debts.

Mr. KING. There is no question in regard to that, but this much must be said: That France, Great Britain, and Italy have undertaken largely the liquidation of the postwar problems in Europe. We have not done so; we have practically withdrawn from Europe; we refused our assent to the Versailles treaty and our allies were compelled to assume the burdens and responsibilities of enforcing the provisions of that treaty. There were problems of tremendous importance that had to be solved and burdens that had to be borne in connection with the liquidation of the war, and Great Britain and France have largely borne those burdens. Speaking for myself, I feel that our country and the world are under obligations to Great Britain and France for what they have done in attempting to stabilize Europe since the armistice and to bring peace and order to the distracted and suffering people of European nations.

Mr. McKELLAR. Mr. President—

Mr. KING. One further observation and I will yield. The Senator also knows that Czechoslovakia, to which he refers, the Jugo-Slav Nation, Poland, and other nations which have been

erected since the armistice, are having the utmost difficulty to maintain themselves. It seems quite certain that within the next six months Poland will be subjected to such pressure that, unless she receives support from the allied nations, she will scarcely be able to maintain herself against the assaults of the bolsheviks. Already the bolsheviks are massing their forces upon the western front of Russia for the purpose of assailing not only Poland, but Esthonia and Latvia and perhaps other nations which have been established. Armenia has been overwhelmed by the Turks and bolsheviks and other conquests will be attempted. Turkey is still militant and is fighting Greece and menacing France and England in Asia Minor. Greece will be pressed by the nationalist régime in Anatolia and will have difficulty in maintaining her new boundaries. The United States can not collect at this time the sums due from Europe. We will have to be patient with our debtors for a while; but if any nation can pay, it should pay. It is only fair that all of our debtors should, and all of them ought to, place their obligations in the form of bonds bearing a fair rate of interest. We should see to it that Europe's debt to the United States be properly represented and properly protected and that payment be made as soon as possible consistent with just and humane principles and policies.

Mr. McKELLAR. Mr. President, I will call the attention of the Senator to the fact that Poland does not owe us any of the debts referred to, and that Czechoslovakia owes us only the comparatively small amount of fifty-odd million dollars, the interest on which is small and the payment of which would impose practically no burden upon her at all. The trouble is that apparently since 1919, for some reason that has not been explained by the Secretary—I hope he will explain it, for there must be some explanation—foreign nations have apparently quit paying interest. I do not understand why they should quit paying the interest on their loans unless it be that some of them expect to put these debts in a hodgepodge and let America pay her part of them. That has been suggested time and again by public men, but I for one do not want that understanding to go abroad. I want the European nations to know that while we have been generous in lending them the money, and while we have been generous in waiting until they got on their feet, so to speak, that we have no intention whatsoever of canceling their debts. It would not be fair to the American people. The tax burdens of this country now are larger than those of France. France did not raise by taxation much of the money expended by her during the war; she raised it by bonds. She has glided over the duty of imposing heavy tax burdens upon her people. There is no reason why she could not pay these debts, and for these reasons I have introduced this resolution. I think it is timely. I think the American people ought to have this matter arranged for them; and surely if ever there was a time when we needed the money it is at a time when the Secretary of the Treasury points out that a tremendous increase must be made in the tax burdens unless we get this money.

#### EMERGENCY TARIFF.

Mr. SMOOT rose.

Mr. HARRISON. I imagine that the Senator is going to make a motion to adjourn.

Mr. SMOOT. I rose for that purpose.

Mr. HARRISON. I desire to ask the Senator a question before he makes the motion to adjourn. The adjournment will be until Monday, will it not?

Mr. SMOOT. It will. That order has already been made.

Mr. HARRISON. Can the Senator tell the Senate what is the plan on Monday? Is it to have a real session or to adjourn soon after the Senate convenes?

The reason why I ask is because there are a good many Senators away on both sides—I know a good many on this side—and there are several who are here to-day who want to go home to spend Christmas. Is it the intention of the Senator and those on his side of the Chamber to try to transact any business on Monday?

Mr. SMOOT. Mr. President, we are going to have the emergency tariff bill referred to the committee, and to make that absolutely sure I hope there will be a quorum of Senators here. I will say to the Senator that there is nothing especial to go on with upon Monday, with the exception of the reference of that bill to the committee.

Mr. HARRISON. It is the intention, then, to try to refer it to the committee?

Mr. SMOOT. To the Finance Committee, so that they can go on with hearings on the bill if they desire to hold them.

Mr. HARRISON. Can the Senator tell us whether the Committee on Finance intends to hold hearings on that bill?

Mr. SMOOT. My opinion is that they will not hold hearings on it; but of course the committee will meet, and Senators on that committee will have ample time to discuss the bill.

Mr. HARRISON. Now may I ask the Senator whether on Monday, the 27th, when we convene, it is the intention of the Senator and others on his side of the Chamber to ask the Senate, when it adjourns, to adjourn over until the following Thursday?

Mr. SMOOT. Either to that day or Wednesday.

Mr. HARRISON. Will the Senator allow me to make the suggestion that we can get unanimous consent through now that when we adjourn on Monday we shall adjourn until the following Wednesday or Thursday?

Mr. SMOOT. I should not care about having that done now, Mr. President.

Mr. HARRISON. Would the Senator object if I should ask unanimous consent to that effect now?

Mr. SMOOT. Yes; I should object, Mr. President. I want the Senator to take my word that that is what we intend to do unless something unforeseen happens.

Now, Mr. President, I move that the Senate adjourn.

The motion was agreed to; and (at 4 o'clock and 35 minutes p. m.) the Senate adjourned until Monday, December 27, 1920, at 12 o'clock meridian.

### HOUSE OF REPRESENTATIVES.

THURSDAY, December 23, 1920.

The House met at 12 o'clock noon, and was called to order by Mr. WALSH, Speaker pro tempore.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

God of the ages out of whose all-inclusive love come a thousand blessings day by day to Thy children. The swift flight of time has brought us once more to the anniversary of Thine own best gift to the world, heralded by an angelic host singing "Glory to God in the highest, and on earth peace, good will toward men." It arouses all that is best, purest, and most generous in the hearts of men, illustrated by a hundred charitable societies which make glad the hearts of millions. It fills the home with love, peace, and happiness in gifts received and distributed. We pray that the Christ child may be born in millions of hearts to-day that greed, bickering, and wars may pass away. A peace pact, formed spontaneously out of the hearts of thinking men, that disarmament may set in and relieve millions of the burdens of taxation and make every home throughout the world happier and life safer, and peace crown all the world through the teachings and sublime character of the Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### LEAVE OF ABSENCE.

By unanimous consent, Mr. BLAND of Missouri was granted leave of absence, indefinitely, on account of sickness and business.

#### MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message in writing from the President of the United States, by Mr. Sharkey, one of his secretaries, who also informed the House of Representatives that the President had approved and signed bills of the following titles:

On December 21, 1920:

H. R. 12887. An act establishing the liability of hotel proprietors and innkeepers in the District of Columbia.

On December 22, 1920:

H. R. 13264. An act to provide for the award of a medal of merit to the personnel of the merchant marine of the United States of America.

#### REFERENCE OF A BILL.

Mr. VOLSTEAD. Mr. Speaker, I ask unanimous consent that the bill H. R. 4296 be rereferred from the Committee on the Territories to the Committee on the Judiciary.

Mr. CLARK of Missouri. What is it about?

Mr. VOLSTEAD. It is a bill to amend the national prohibition act.

Mr. MANN of Illinois. In what respect?

Mr. VOLSTEAD. Making it applicable to the Philippine Islands.

Mr. GARNER. Why should it not go to the Committee on the Territories?